

# National Municipal Review

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NATIONAL MUNICIPAL LEAGUE

# The League's Business

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**League Committees Meet.**—Several of the League's committees took the opportunity offered by the recent conference at Rochester to plan meetings for the discussion of committee assignments.

The *Committee on Revision of the Model City Charter* heard and discussed the reports of its subcommittees.

Since the Rochester meeting, plans have been made for another conference of the committee to be held February 12th and 13th at the Hotel Shoreland, Chicago. President C. A. Dykstra of Wisconsin, the League's new president, will preside. In addition to members of the committee it is expected that the following representatives of the public official organizations concerned with provisions of the charter will be among those who will participate:

Carl H. Chatters, executive director, Municipal Finance Officers' Association; G. Lyle Belsley, executive director, Civil Service Assembly of the United States and Canada; Fred K. Hoehler, executive director, American Public Welfare Association; Clifford W. Ham, executive director, American Municipal Association; Donald C. Stone, director, Consulting and Research Division, Public Administration Service; Frank Herring, executive director, American Public Works Association; Coleman Woodbury, director, National Association of Housing Officials; and Walter H. Blucher, executive director, American Society of Planning Officials.

The conference will discuss those sections of the new model charter on which there has not as yet been any final agreement.

The *Committee on the Improvement and Standardization of Municipal Fiscal Affairs* laid plans for a large national committee to be composed of a hundred men and women. Arnold Frye, a member of the New York City firm of Hawkins, Delafield, and Longfellow, authorities on municipal legal questions, was named temporary chairman. He was authorized to appoint an executive committee of five to effect organization. The purpose of this large committee will be to assemble views of existing organizations and groups and prepare drafts of four or five model laws which can be used by associations of state and municipal officers, members of legislatures, taxpayers associations, commercial organizations, and investors in municipal securities as the basis of desired legislation.

The *New York State Committee* of the League, headed by Dr. Rodney L. Mott of Colgate University, *chairman*, considered an agenda which had been prepared at a previous meeting. Among matters discussed by the committee were the following: extension of city home rule, machinery to insure clean elections, power to amend the state constitution by large petition and popular vote, various phases of the civil service, authorization of city boards of education to establish capital budget reserves to provide in advance for replacement of school buildings, consolidation of county reorganization laws, establishment of a legislative council, and repeal of laws in regard to mandatory salaries in local government.

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**Dr. Dykstra Heads Political Science Group.**—The American Political Science Association, at its recent annual convention in Philadelphia, elected Dr. C. A. Dykstra, president of the University of Wisconsin and of the National Municipal League, as its president.

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**Death of Dr. John Randolph Haynes.**—We regret to record the recent death of Dr. John Randolph Haynes, for many years one of the League's vice-presidents. In this connection the following resolution was adopted by the League at its recent annual meeting in Rochester: "Resolved, that the members of the National Municipal League, in convention assembled, express their deep regret at the loss of Dr. John R. Haynes of Los Angeles, honorary vice-president of the National Municipal League, who has over a long period of time rendered extraordinarily distinguished service in the constant battle for improvement in state and local government."

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**Apologies.**—In the announcement of the League's annual conference in this department for October, Mr. Pierre Boucher was listed as secretary of the Montreal Metropolitan Commission, whereas Mr. Boucher is secretary of that commission's planning and research department. Mr. E. T. Sampson is secretary-treasurer of the organization. Our apologies to Messrs. Boucher and Sampson.

HOWARD P. JONES, *Secretary*



# National Municipal Review

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Editorial  
Comment



January, 1938

## Morning Glories in January

**G**EORGE WASHINGTON PLUNKITT, Sachem of Tammany Hall a generation ago, who distinguished himself by drawing salaries in three public offices at the same time and by growing very rich during a "public" and political career, was quite a philosopher in his way.

One of the gems that came from beneath the silk hat he wore after he decided he had become a statesman was this: "Reformers are only mornin' glories . . . can't last in politics. Politics is as much a regular business as the grocery or the drygoods or the drug business."

This idea may have been discredited in many other parts of the country but, until New Year's Day of 1938, it remained fact in the largest city in the United States. No "reform" administration there had ever succeeded itself. The spoilsmen always took popular uprisings good-naturedly because they knew that presently the people would tire of the self-righteous "good government" crowd and would return to the free-and-easy methods.

But Fiorello H. LaGuardia has upset this as well as a thousand and one other precedents. To say that his administration went back into office because the people at large appreciated and approved his splendid record of reorganizing the city's government on a non-political, efficient, honest basis would be to tell only a part of the story. Indeed, it probably will take some years to weigh

properly the various influences which resold this little son of the new immigration to a city like New York.

He was a good "showman." What he lacked in the kind of "wisecracks" that helped Jimmy Walker, he made up for in his flare for dramatizing the completion of great bridges, playgrounds, parks, and other public works. He knew the method, but very deliberately would not permit formation of a permanent political organization, although even his good friends fought with him about it. He alienated strong political allies by denying he owed them anything in the way of patronage, but always he appointed men who honored their jobs by being outstandingly equipped to handle them and did them well. Friend and foe alike at first were irritated by his temperamental outbursts and door-slamming departures from official meetings at which the tide was going against him, but soon they began to accept these incidents as manifestations of his colorful, intense nature; and to the man in the street he endeared himself even more because they seemed (with joyous approval) to sense that the mayor was just putting on another act in his dragon-slaying performance. Even his enemies grant that LaGuardia is thoroughly honest and completely upright, while at the same time his success has driven home the fact that he is so politically shrewd that he has been able easily to thwart virtually every bit of political knavery designed to upset him.

More significant to the country at

large, however, than the personality involved are the results: that the country's largest city has taken its second great stride in its march toward outstandingly good government, fully armed with a businesslike city charter, a board of estimate which will support instead of sabotage the chief executive, and a dis-

trict attorney who startled the country with his effective tactics against the world's biggest rackets. Considering the mayor's overwhelming mandate from the voters, even the one weak spot—the possible slight majority of political opponents in the city council—probably will not present too great a difficulty.

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## Unemployment Relief

AT THE National Municipal League's recent national conference on government at Rochester, greatest interest was in the sessions on unemployment relief and social security. Papers read there by some of the outstanding authorities in this field, which concerns itself with as vital a problem as the

world faces today, constitute some of the most important and timely contributions as yet offered. To make them as useful as possible to the many who must have available the best thinking and planning on the subject, the NATIONAL MUNICIPAL REVIEW brings these papers together in this issue.

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## The "Continued Story"

ONE month ago, in accordance with a large city's efforts to eliminate broken sidewalks, a large area of new cement was laid in front of a branch post office. Last week workmen appeared and started to cut great holes in it. Startled passers-by were told that a long-planned project to put certain power lines under ground was starting.

It's the old story all over again: wasteful lack of coordination between city departments, the right hand not knowing what the left hand is up to. Similar situations have long existed in all parts of the country, ever since the beginning of water, sewer, and gas services, and becoming more aggravated with the

policy of eliminating overhead wires. The picture is familiar. With distressing regularity, new pavement is laid, soon to be re-opened for sewers, again for water, yet again for gas, and again and again until the resulting mess made entirely new pavement necessary.

Today's sidewalk destroyers mentioned here are at work in a city which is outstanding for its planning activities—no need to name it, this happens everywhere. But it does seem elemental that a simple routine could be adopted which would notify each possibly interested department of the reconstruction plans of all related departments.



# Public Welfare, Retrospect—Prospect

*During the short space of time covered by the depression years the country has traveled the long road from poor law to social security*

WILLIAM HODSON

*Commissioner of Public Welfare, New York City*

DURING the past ten years many fundamental changes have occurred in the American way of thinking about common problems and in the American way of seeking remedies for the difficulties which beset us in industry, in government, and in our community life. Nowhere are the changes more striking than in the matter of protecting human beings against hardships which individuals themselves cannot foresee or which they individually are unable to avoid. The changes in thinking and in action which have occurred are typified by the phrases which we use to describe our activity in aid of human beings. We have abandoned "poor relief" and have adopted "public assistance." We no longer talk about "charity" but about "public welfare," and from the more humane basis of public assistance and public welfare we are moving toward social justice, which includes governmental aid in the establishment of insurance against such hazards of life as unemployment, old age, and dependent childhood. Before long, we shall extend these insurances into the area of health care and health insurance as a next step which is obviously and urgently needed.

In the period prior to the depression, the job of caring for people who were in need because of ill health and unemployment was the responsibility of private philanthropy or of local poor law officials, working for the most part under laws which were punitive in content and which were harshly administered in order to prevent people from asking for assistance. There was some

recognition here and there of the fact that some groups of people were justified in seeking help out of their difficulties and should be encouraged rather than penalized for seeking such assistance. For example, in many states we had laws providing for assistance to mothers with dependent children, because the place for a child was in his own home with his own mother and to keep him there was an economy as well as a positive asset for the state. Likewise, we had the beginnings of public help for old folks, who were no longer able to work and whose earnings had not been sufficient to enable them to lay by sufficient savings to maintain them in the remaining years of their lives. Consequently, old-age assistance laws lifted the old folks out of the harsh realities of poor relief as it was administered and, perhaps, still is administered in some parts of the country today. These were some of the steps which marked the trend from poor relief to public assistance and the essential difference was in the spirit with which the task was undertaken. Public assistance was being recognized as self-respecting and without stigma, whereas the old poor relief was intended to be disreputable and degrading in order that people would not ask for it and thus impose burdens upon the public treasury and the taxpayers. We have come to realize that there is nothing degrading about taking relief when it is needed. The shocking thing is that men cannot get jobs to support themselves and their families and have to depend on relief to keep body and soul together.

The tendency in America in some quarters to ridicule and disparage the unfortunate men, women, and children who are on relief probably grows out of a sense of frustration, as well as ignorance of the true facts. The uninformed taxpayer is conscious only of the size of his tax bill and he wants to punish somebody for it. And so, without understanding the plight of the man on relief and his family, the taxpayer proceeds to berate him as a lazy ne'er-do-well. The people in this country who know better than that have been saying so for a long time. Recently a magazine of business, nationally known and printed on bond stock with many pictures, has undertaken to study this question and to tell the truth about it. Here are its findings:

1. People on relief are *not* bums.
2. Industry did *not* fire them because they could not do their job.
3. Industry has taken back only about half of them since 1935, the rest for the most part unemployed.
4. The people on relief are mostly unskilled rather than skilled.
5. Many of those left on relief are unable to work because of age or disability.

These conclusions ought to rid the American people of many of their prejudices and misunderstandings, and help the nation as a whole to view its relief and public welfare problem with sympathy and understanding.

#### FEDERAL GOVERNMENT STEPS IN

It was not until the coming of the Roosevelt administration in 1933 that the federal government recognized its responsibility in caring for people who were in need and in protecting them against the hazards of life. It had been accepted as unassailable truth that the whole burden of public assistance rested upon the localities, with such aid as the states in their individual wisdom might see fit to give. Then came federal

grants-in-aid to the states in order to care for the heavy burden of unemployment relief. The establishment of FERA was a sharp break with the traditions of the past and met with determined opposition in various parts of the country. Then followed the withdrawal of the federal government from financial aid for direct relief and the assumption of responsibility by the federal government for work relief in providing jobs for the unemployed. In 1935 the President signed the social security bill, which established a joint partnership between the federal, state, and local governments in providing public assistance to the dependent old, to the dependent blind, and to mothers with dependent children. Thus, we were emerging from local charity to public welfare in the broad sense, on a national scale and with every level of government joined in a coöperative effort to help those in need.

The social security program, however, goes further than merely providing direct grants on a needs basis to provide minimum subsistence. We now have a national program of old-age pensions and of unemployment insurance, which gives us the beginnings of a real program of social justice and insurance against the hazards of old age and unemployment. As we look forward to the future, our problem is to broaden and deepen this program through the insurances and special forms of assistance, which will prevent people from falling into the pit of destitution and thus remove them from the "means" test as a basis for public assistance. We cannot keep millions of families under public scrutiny and public surveillance indefinitely, as the widespread application of the means test makes necessary. Direct relief on a needs basis will always be necessary as a supplement to the insurance systems, which tend to be inflexible and which do not provide for emergencies or unusual cir-



cumstances. In a measure, it is the inflexibility of the insurance systems which makes them so easy and simple to administer and it is the greater elasticity of the direct relief system which makes it somewhat more difficult and expensive to administer.

#### INSURANCE VERSUS RELIEF

It is clearly desirable to increase as rapidly as possible the number of persons who are taken care of in periods of unemployment through unemployment insurance and whose old age is provided for through the old-age insurance benefits. As quickly as possible, we must provide for the care of persons who are sick through a suitable plan of health insurance. In all of these ways, we can reduce the number of persons who are dependent upon direct relief. It is interesting in this connection to note that in 1926 there were over a million persons receiving old-age grants on a needs basis in England, whereas in 1935 this number declined to 662,000 and the decline was due to the increasing number of persons who got old-age pensions under the contributory insurance plan. Our problem in this country at the moment is to overcome the temporary handicap which exists in our old-age assistance program because for some time to come benefits for old people will be more adequate under the public assistance program on a needs basis than they will be under the old-age annuity plan.

When Mayor LaGuardia came into office in 1934, he established as the motto of his administration, "To the victor belongs the responsibility for good government." I have had a unique experience in directing a major department of government without the interference of politics or of politicians and with a chief executive who insisted upon the complete divorcement of relief from politics, both from the standpoint of the relief recipient and from the stand-

point of the appointments on the staff of the relief bureau. We have sounded the death knell of patronage, spoils, and easy-going administration in the City of New York. These handicaps to good city government now seem like the ancient vices of a political generation which is past and gone. The Department of Public Welfare has had the inspiration of working in a fresh, clean atmosphere, freed of stuffy, political impurities. The whole government of the city has been geared to deal with modern problems in the light of modern knowledge. If the social security program and the public welfare program of the country ever get into the hands of the politically minded and the politically powerful, its benefits will begin to vanish like the snow before the rising sun. We shall then find ourselves establishing security for the politicians but not for the needy. When the criterion for employment in public welfare administration is political affiliation instead of merit and when assistance is distributed to the politically faithful rather than the needy, the beneficent purposes of the security legislation will be forgotten, the costs to the taxpayers will become insupportable, and social justice will become an empty phrase so far as the underprivileged are concerned. We must have intelligent, adequately trained people to carry on the greatest task of government today. If the social welfare program with its millions of people receiving benefits from the public treasury ever becomes the football of politics, the undermining of democracy in this country will have begun. A politically controlled social welfare program is the greatest instrument which Fascism could mold to its own purposes.

#### LOW WAGE LEVELS

We have a serious dilemma to face in our direct relief program. It is an unpleasant fact that in some industries in some parts of the country annual



wages are too low to maintain families at a minimum subsistence level. It is true, of course, that wages are fixed in accordance with the nature of the job regardless of the size of the family, so that a worker with a small wage and a large family is under a double handicap when compared with the worker with a small wage and a small family. On the other hand, it is accepted that people on relief must have minimum subsistence in order to maintain health and decency. Thus, we are faced with the anomaly that for some people relief is more adequate than wages. This is a shocking result and it is obvious that a floor must be established for annual wages throughout the country, which will not have trap doors through which people fall to the level of destitution. At the same time the unemployment insurance program must be extended so that all employed persons will ultimately be protected against this hazard. The benefits under the federal old-age annuity plan must be enlarged and these benefits must be paid at an earlier date than was originally planned. With these changes and with proper supervision for those who are ill and unable to work, we shall take a further step toward social justice. We shall never have social justice and social security in the complete sense of those terms. The most we can hope for is constant, steady and substantial progress toward the desired goals and as we approach those goals they will recede and larger and more distant goals will take their places.

Now a word with respect to the financing of relief. It is evident that we cannot go on with broad scale borrowing to meet the problem of public assistance. Expenditures must be met out of current revenues in some way. Since October 1934 New York City has been on a pay-as-you-go basis, and it has not incurred any debt obligations.

If it had continued to borrow it would now be in debt for relief purposes alone to the extent of about \$198,000,000. That is one reason why the credit of the City of New York is high today.

It is just as obvious that the national government cannot go on borrowing forever for relief. There should be a national pay-as-you-go program as well as a local one. I am one of those who believe with Senator La Follette that income taxes will have to be increased in the upper brackets and that exemptions must be lowered so that many thousands in the small income class would bear directly some share of the governmental costs. This is one step in meeting the problem of more revenue.

The great need in America today is for hard, straight thinking on our social problems and clear-headedness and common sense in their solution. We still have jobless people and old folks who are in need, and sick people who cannot work to maintain themselves, and we have the victims of industrial accidents. Despite all that has been accomplished, it is obvious that much remains to be done. The great hope of the American people is that industry and business will revive so that every person capable of doing some kind of work will have an opportunity to maintain himself and his family in self-respect on the job.

While we are searching for our remedies, both in the field of industry and in the field of the social insurances, let me urge against hasty and ill-considered legislation of the Townsend type. Such legislation is utterly disastrous in its consequences to the people of this country. As we go along, let us keep our feet on the ground, recognize the limitations that must be faced, and develop our program to the farthest limits possible under the conditions which exist at the present time. Whether America's social security program stands or falls, whether

(Continued on Page 29)



# A New Program for Unemployment Relief

DOROTHY C. KAHN

*Director, Philadelphia County Relief Board*

*Adequate employment statistics, employment services, long range planning, and retraining among essentials of future relief plans*

THE imposing title of this article sounds like a promise of magic. Do not be misled by it. There are no rabbits to be pulled out of a hat. Magic, after all, is nothing but the inexorable laws of logic in a sugar coating of propaganda. Social workers are not adept at propaganda. Perhaps we overlook the compelling logic of the connection between unemployment and relief. But these logical connections have been too frequently obscured by propaganda totally unrelated to them. Some of us are willing to call a program that has been consistently advocated for the past five years by the professional association of social workers a *new* program of unemployment relief because it has not yet been tried.

Why do we need a new program of unemployment relief? Because the public is tired of unemployment relief as we have known it in the years immediately behind us. The unemployed are tired of it. The business man is tired. And cities and states are tired. This consistent weariness is the result not merely of continued effort and great strain, but of an underlying discontent with the whole business. This discontent is based upon certain popular attitudes. First, unemployment relief seems like an affront to our fundamental ideas about the relationship of work to life. Second, it seems unnatural to supply through governmental resources the means of a livelihood which we have been taught to earn by the sweat of our brow. The only exceptions which we readily admit are cases of flood, earthquake, or other disasters obviously

beyond the control of the individual. Third, the idea that mass unemployment is a disaster equally beyond the control of the individual has not yet been generally accepted. It was more readily accepted in the early days of the depression. Perhaps one should not say it was accepted then, but rather tolerated, for whatever acceptance or tolerance there was for this idea rapidly vanished with the slightest indication of an improvement in conditions. Even thoughtful people, familiar with the facts, expected the relief rolls to decline at a rate at least as rapid as employment statistics improved. It has been difficult to convince even some good statisticians that the only way in which one more job could be certain to cancel out one person on relief would be to have all of the unemployed on relief so that every employment opportunity inevitably fell to a relief recipient. Only a small percentage of the unemployed have been on relief at any one time.

Nevertheless, as conditions improved we began to hear again the same complaints voiced so loudly in 1928, 1929, and 1930, that the unemployed really could find work if they wanted. It is this dilemma of popular unwillingness to understand the problem which current programs have tried to meet. We have attempted to beguile ourselves, the public, and the unemployed out of the dilemma by a formula based on prejudice and not on facts. That formula is the oft-repeated one—"work is better than relief." Obviously no one can quarrel with this proposition. But this is not and never has been the issue. In a period of mass

unemployment we have not been free to choose between work and relief, nor have we been completely successful in our efforts at a sleight of hand combination of the two. Our unwillingness to learn from the experience of other countries has too long delayed our progress in the field of public work on the one hand and public assistance on the other. As long ago as 1909, Sir William Beveridge enunciated what he repeated in 1930, namely, that "relief work has proved not a happy but a disastrous combination. It generally implies something that degrades the name of work and disregards the principles of relief."

Thus, despite some of the magnificent achievements of WPA, the program is bogging down on the false issues out of which it developed. The restriction of federal participation in unemployment relief to WPA has meant that in some places there is neither work relief nor direct relief and in no one place is the combination of the two adequate to meet the needs of the unemployed. In some places in the United States industrialists and farmers cry that work relief projects are competing with them for labor. In others, cities cry that they are a serious drain on their financial resources, if not altogether impossible to finance under existing regulations. In still others, projects that could well be pursued require workers whose skills cannot be found among the persons on relief. The workers themselves, labor, and other interested groups cry out that wages are not only not going rates of pay for the type of work performed, but that they do not constitute anything approaching the implications of a "security wage." Yet taxpayers and others object to non-relief personnel working on these projects, since they have been promulgated as relief measures. Some communities express willingness to appropriate funds for work, but not for direct relief because the latter bears the

stamp of disapproval of the federal government.

The list of problems above could be extended ad nauseum. They all arise out of a desire to relieve unemployment and to relieve the unemployed with one bold stroke. The result is that we have done neither. As we face a new downswing in the index of employment, which we euphemistically call a recession, it is more than ever imperative that we face realistically the relative permanence of some degree of unemployment—that we face the facts of industrial displacement and the inevitable realities of human need. Even the most ardent advocate of the present program must seek new ways of meeting a situation that defies the most skillful efforts at over-simplification. If once we grant that government has a responsibility in meeting the needs of the unemployed, then it is inevitable that we develop a *many-sided* program for meeting these needs, not a single formula based on its supposedly popular appeal.

It is this many-sided program, therefore, that I have undertaken to outline, and I recommend it to thoughtful students of governmental affairs for very sober reflection.

The very first requirement in this program is adequate employment statistics. By this we do not mean anything like the census recently taken. The less said about it the better. But industrialists, economists, and statisticians know that it is not impossible, given governmental machinery and industrial coöperation, to make reasonably accurate estimates of labor surpluses and shortages for years ahead—given peace. There is no excuse for a well developed nation to have failed for so many years to put itself in a position to know its own potential work capacity in man power, as well as the capacity of its industrial establishments.

Not only do we require adequate em-



ployment statistics but adequate employment services. Is it not a cause for irony that the first permanent nationwide system of employment exchanges is associated not with the business of aiding in the distribution of employment but rather in the distribution of unemployment compensation? These new facilities must be competently equipped and much more widely used by industry and other sources of employment if they are to be effective in making the connection between the job seeker and the work opportunity. Perhaps the very availability of unemployment benefits may help these services to broaden their scope and increase their effectiveness.

Neither employment statistics nor employment services, however, will be of any avail without long range planning. Personally I am tired of hearing the oft-repeated cliché of the economist to the effect that the frontier is now closed. The frontier, in my opinion, is not closed but is at our very door. The readers of this article could unassisted plan the development of our cities and towns on a broad scale that would afford work projects for a period of from five to fifty years. I refer not merely to our public buildings for which we do some long range planning, but the arrangement of our cities and towns, their parks, their artistic, musical and literary facilities, not to mention decent dwelling places for their inhabitants. Our failure at long range planning is well illustrated by a cartoon that appeared in a Philadelphia newspaper not long ago. The city art museum had just bought Cezanne's famous picture, "The Bathers." The cartoonist, however, drew a picture of a slum dwelling with the plumbing out of order, the roof leaking, and a bedraggled family huddling about a broken stove. Their visitor is William Penn who says cheerily: "Lookit. I bought you a pretty picture." With reasonable planning would there be any

basis for competition between art and a decent place to live?

In order to carry out these plans we require a work program that will be adjusted to our long time plan and to our knowledge of occupational surpluses. PWA and WPA have made a distinguished contribution. They have led the way in showing what is possible in a program of varied and valuable work under public auspices. These programs, however, have been handicapped because they have been limited not by the available skills among the unemployed, but by the very limits of relief needs. A new work program would undertake to take up the slack in employment by occupations, rather than on the basis of need. Thus it would avoid the pitfall of competition with private endeavor. Employment on these projects could be limited by two factors, time and the availability of private employment for people with given skills. Thus we would avoid the tragic illustration of persons whose longest working experience has been on a work relief project, which they feared to leave for the lesser security of a job. Other countries have done this kind of thing with marked success. A program, thus limited, could afford to pay going rates for full time work, rather than the anomaly of an hourly rate, an absurdly short work period, and a so-called security wage. We could then stop projects only for lack of labor as employment picked up, and not as we do now for lack of funds or change of program. A monument to our ineptitude is the city hall of Philadelphia at this moment. Some months ago a project was approved to clean this ancient building. After a period of months, and a substantial appropriation of funds for material and supplies by the city, two and a half sides of the building have been cleaned. Suddenly, a few weeks ago, funds for the project ran out. The scaffolding

remains around the balance of the building, a monument to our lack of planning. Moreover, had this happened in certain other cities, the men employed upon those scaffolds might have remained and starved.

Whether such a situation is the fault of the city or the national government is not the question. It must be obvious that even had the project been completed, the men who worked on it still require some form of public assistance if there are not private jobs for them when their public work is done. The theory that individuals must drop from one so-called level of government to another because the federal government is too proud to provide direct assistance is fallacious. It has been demonstrated conclusively that it is not true that the states and municipalities will do what the federal government does not do. Thus, we have state after state and city after city making no provision for direct assistance, and in these same places there are thousands not cared for by wages from any work program. The fact of the matter is that states and municipalities will do what they can get federal

reimbursement or matching for doing. This is not merely a human weakness applied to governmental structure, but rather a sound principle of sharing responsibility and meeting cost.

Finally, let us not overlook the need for a great program of retraining, part of which could be carried out in connection with a well planned work program. There are in this country thousands of young people seeking work and with no preparation for it. Their idleness is perhaps the greatest social liability of our time. In addition to them, there are thousands of workers industrially displaced because of technological changes, or in some instances because of their own advancing years. Given a knowledge of occupational shortages, retraining for these groups is both possible and necessary. It has been done in other places.

This program is neither fantastic nor impossible. It is, I believe, the program of the future.

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EDITOR'S NOTE.—Address delivered before Forty-third Annual Conference on Government of National Municipal League, Rochester, New York, November 19, 1937.



# The Impact of the Social Security Act on the Relief Problem

*While the social security act has solved some problems, it has created others, since it affects only part of the realm of dependency*

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THE repercussions of the social security act on the nature of the relief problem have been so many-sided that any discussion of the significance of its impact must necessarily be somewhat sketchy and impressionistic. Perhaps the most convenient way of indicating what has been happening in the last two years in this country is to discuss the effects of the act from three angles: first, what it has done to the kind of assistance provided for dependent people; second, the effect it has had upon the problem of financing relief of all kinds; third, the repercussions it has had upon the general welfare and relief administrative organizations in the states and localities.

The most obvious consequence of the social security act is that it has put into general effect throughout the country the principle of categorical assistance. Whereas before 1935 special assistance to such categories of dependent persons as the aged, dependent children, the blind, and the unemployed was either in existence in relatively few states or provided by the federal government as an admittedly emergency measure, we now find these types of assistance a general rule in the majority of states.

The widespread development toward categorical treatment of the problem of the dependent has, of course, both advantages and disadvantages. But despite its administrative disadvantages it is easy to see why this development received the support of those who were

concerned about the welfare of dependent groups. In the absence of any social insurance plan it was a method of removing at least some groups of needy people from the old, inadequate, deterrent and demoralizing poor law. For pension legislation in other countries and to some extent our own pre-1935 pension laws differed from poor relief in at least four respects, from the point of view of the applicant. They provided security in the form of a fixed cash payment instead of payments in kind or in an institution. Furthermore, the acts often laid down a specific maximum sum which, however modest, set a new idea of standards, and in fact the payments were usually more generous than those available under the general public welfare system. Second, the test of need applied tended to be less onerous than that applicable under the poor law. Many of the laws permitted applicants to retain certain forms of property and the principle of family responsibility was not always enforced: applicants were not forced down to the destitution level characteristic of the deterrent poor law. In the third place, they provided as a rule for machinery for appeals, which implied that in contrast to conditions under the poor law, the applicant had certain rights to this kind of assistance. Finally, at least in some of the earlier laws, the administrative personnel was different from that of the poor law.

Categorical assistance of this kind was clearly defensible as a method of giving

security in a form less degrading than that of the existing pauper legislation. Unfortunately, however, it is now less easy to defend categorical assistance on this ground. The categorical assistance which has become general under the stimulus of the social security act differs in important respects from the categorical aid as typified in the original English 1908 law or some of our earlier laws.

It is perhaps significant that whereas the earlier forms of categorical assistance were known in general as *pension* laws, the social security act, and following it the acts of most states, now designate this type of relief as *assistance*. It is true that the existing laws under the security act provide for cash payments in the home, and the reference to the thirty dollars maximum in many state laws undoubtedly has spread the idea that this standard is a norm. But the absence of any minimum standards in the security act gives no certainty that the amount of the assistance will in fact be superior to or much different from that available under the poor law.<sup>1</sup> The original economic security bill had provided that in applying the test of need to applicants for old-age assistance account should be taken only of the resources of the applicant and his or her spouse. This provision was eliminated in the act, and a study of the standards laid down in state laws suggests that in most administrations it is still possible, in deciding eligibility, to take account not merely of the income and resources of the applicant on this narrow basis, but also to consider the resources of persons legally liable to support the aged. Finally, while the

right of appeal is recognized in principle in the state laws in conformity with the federal standards, a study of the state assistance laws suggests that in the main the administration of means tests and determination of pension grants will be carried through by the same officials who administer the general relief system.<sup>2</sup>

To the extent that the older distinction between categorical aid and that available under the public welfare system becomes less marked we may have to face the question whether we have done anything more than introduce, through the social security act, a form of security which differs from general relief only in that it is financed to a certain extent from federal funds.

Whether or not this situation should be remedied by a closer control by the Social Security Board over the standards of assistance and methods of administration depends largely on a decision as to the ultimate objectives of the categorical approach. And in so far as its main justification lies in the possibility it offers of removing groups of dependents from reliance upon an inadequate and distasteful poor law or public welfare system, evaluation of the categorical approach must take into account another of the repercussions of the social security act, namely that in the field of general welfare.

Following on the necessity of developing categorical assistance plans complying with federal standards in regard to state administrative and financial responsibility, many states have, during the past two years, taken the opportunity to revamp their general relief administrations. A study of nineteen of the thirty-nine states which have set

<sup>1</sup>A recent study by the Social Security Board of the payments made during the latter part of the fiscal year 1936-37 showed that in ten states 25 per cent of the applicants received sums of less than ten dollars monthly, while the median grant was fifteen dollars or less in fifteen states.

<sup>2</sup>For example, in Connecticut the chief executive of larger towns and cities can designate members of the local public welfare staff or the local overseer of the poor to receive applications and carry out interviews.



up integrated welfare administrations suggests that in the process many have sensibly modified their general poor relief systems in such a way as to bring the type of assistance nearer to that we have previously thought of as pension assistance. Ten of these laws<sup>3</sup> now specifically authorize cash payments for general relief. The phrase "a reasonable subsistence compatible with decency and health" which, however modest, at least suggests standards that differ from those of the old deterrent poor law, is used to define the extent of assistance in the general welfare laws of at least nine states.<sup>4</sup> Some effort is being made specifically to eliminate the use of the word pauper.<sup>5</sup> The right to appeal against relief administrators has been extended from recipients of security act assistance to recipients of all forms of relief in at least nine states.<sup>6</sup>

It would, of course, be premature to suggest that any general change in our poor laws has yet to be recorded. The development to which I have pointed is as yet evident in only a few of the state laws. Moreover, it will probably take years before this change in policy as enunciated in the statutes filters down to the county and township authorities charged with the details of administration.

If this development becomes general the case for categorical assistance will be greatly weakened. But until the general level of public assistance has

greatly improved, the case for categorical treatment remains strong, and it is to be hoped that the board will use its influence to insure that the aid given does in fact differ from that available through the public welfare system.

The case for a non-poor-law type of assistance is, indeed, so strong that one may well ask whether we are justified in limiting this type of security to the classes already made eligible for it under the social security act. This is a question which will be especially acute in those states where limited funds are being directed to financing those forms of security which qualify for federal aid, thereby making worse the position of other groups of dependent persons. The challenge of those excluded from categorical aid will be especially acute in the field of unemployment relief. In this field the social security act has caused the states to commit themselves on the categorical issue to a limited extent. Categorical unemployment relief will in the future be available to some twenty-five million workers for perhaps the first sixteen weeks of their unemployment. To the extent that this type of assistance appeals to unemployed persons as being superior to the available alternatives, we may expect demands for inclusion from those in uncovered trades and working for the smaller employers, and for an extension of the benefit period beyond sixteen weeks.

In many ways the question of what kind of security we should provide for the large numbers of unemployed who will not benefit under the unemployment compensation laws has been complicated rather than simplified by the passage of unemployment compensation laws in fifty-one jurisdictions. If we provide a supplementary system that is more favorable to the unemployed than compensation (certain types of work relief programs would fall into this category),

<sup>3</sup>Idaho, Kansas, Montana, New Mexico, New York, Pennsylvania, South Carolina, Washington, West Virginia, and Wyoming.

<sup>4</sup>Arkansas, Florida, Idaho, Missouri, Montana, New Hampshire, New Mexico, South Carolina, and Wyoming.

<sup>5</sup>E.g., the West Virginia law reads "a recipient of public assistance or of general relief shall not be deemed a pauper. Montana specifically provides that "no application form shall contain what is commonly known as the pauper's oath."

<sup>6</sup>Florida, Idaho, Kansas, Michigan, Missouri, Montana, New Mexico, South Carolina, and Washington.

we run the risk of endangering the prestige of unemployment compensation itself. If we provide no alternative but a general relief system administered on poor law principles we shall, if European experience is any guide, face almost overwhelming pressure to extend compensation to perhaps undesirable limits because the discrepancy between the kind of assistance available under the two systems is so glaring.

#### THE EFFECT ON RELIEF FINANCING

While the social security act has undoubtedly brought about more orderly measures of financing certain types of relief and has made available federal funds which may be expected to ease to some extent the problem of states and localities in this field, it has inevitably created new and difficult problems.

In the first place the act undoubtedly has led to an increase in the total expenditures for relief. While, as has already been pointed out, in a certain number of states the act has done little to raise minimum standards, it is also true that in others the availability of federal funds has made possible and even encouraged an increase in the standards of relief provided. Many people are now getting assistance who would never have been regarded as eligible under the pre-1935 state laws.<sup>7</sup>

Average benefits paid throughout the states have increased since the passage of the social security act from \$15.57 (average for 1935) to \$18.54 a month (August 1937). At this point we are

not concerned whether this increase means that payments are now being made on a purely political basis to people who do not need them or that need which existed before is now being met adequately for the first time. The important point is that we have created among dependent people a new concept of what adequate state assistance means and thereby have increased our financial commitments.

Similarly, there is reason to believe that the unemployment compensation laws will not bring about any significant reduction in the numbers of those claiming other types of unemployment relief, but will to a large extent provide benefits to people who previously had to carry the burden of unemployment without governmental aid. The essential fact about unemployment compensation benefits is that they are payments as a right, unaccompanied by any test, for a maximum of sixteen weeks. Since a not inconsiderable number of unemployed workers will normally be reabsorbed before the expiry of sixteen weeks, the general relief system which makes payments only when need can be shown, will be assisted not at all by the payment of unemployment compensation to people reabsorbed in industry within this period.<sup>8</sup> And again it should be emphasized that this is no condemnation of the act since it is highly questionable whether our earlier policy of compelling wage earners to carry the entire costs of their own unemployment until they were reduced to destitution was socially wise. The point is that we shall probably have to visualize a larger public expenditure to meet insecurity due to unemployment than was the case before the passage of the act.

<sup>7</sup>The Social Security Board's study of old-age assistance payments to which reference has already been made indicates that in the latter part of the fiscal year 1936-37, of 468,696 recipients of old-age assistance, 346,622, or roughly 60 per cent had received no organized private or public assistance in the thirty days prior to their application. Only 116,963 applicants had previously received some kind of public aid. Similarly, of 451,076 recipients in thirty-nine reporting states, 322,246 or 71 per cent were in households previously obtaining no other type of public aid.

<sup>8</sup>A recent Wisconsin study seems to bear out the general conclusion that unemployment compensation on its present scale will make little difference to the residual relief load.



Precisely how much of the total unemployment relief expenditure will be carried by the unemployment compensation systems cannot be indicated at this stage since we lack the necessary statistics. Any optimistic hopes that we may have entertained can, however, be dispelled when we study the English system. Between June and August 1936, a period of relative prosperity, unemployment insurance in Great Britain provided benefits for only 45.1 per cent of all the unemployed. The remainder were aided through the unemployment assistance system (38 per cent), or were persons who for one reason or another were obtaining neither type of unemployment relief. This figure is the more striking when it is recalled that in contrast to our laws, the English system has a wider coverage (there are no exclusions by reference to size of firm). The duration of benefits, instead of being sixteen weeks as a maximum, is twenty-six weeks for all covered workers and up to a year for those who have had a good employment experience in the past. Furthermore, the English insurance system provides benefits that are roughly related to need and carry allowances for dependents. Hence the problem of supplementing inadequate benefits is relatively unimportant. If an insurance system as broad in scope and as generous in duration of benefits as the British provides for only 45.1 per cent of the unemployed, what can we expect from our own much narrower and much less generous laws? It is probable that we shall find that the social security act, in introducing unemployment compensation, has had but a slight impact on the problem of financing unemployment relief.

The second aspect of the social security act in the financial realm concerns federal and state financial relationships. The most obvious achievement of the

act in this respect is that it introduces on a considerable scale the grant-in-aid as a method of relieving local tax burdens arising out of relief expenditures. The response of the states to the federal offer has shown how effective this method of federal participation can be. But unfortunately the security act does not extend this financial provision to all types of relief. In particular the costs of general relief and that increasing share of general relief attributable to unemployment which is not alleviated through WPA is still left to the states. The consequences of this situation are two-fold:

(1) Since the grant-in-aid is limited to certain types of assistance, there will be a danger that in their often justified efforts to secure federal funds, states and local authorities may be tempted to give existing forms of categorical assistance to persons other than those to whom they are appropriate. In other words, the decision as to what type of assistance or benefit a client shall be given, may be made not by reference to the circumstances of the individual and the wider social consequences of providing one type of benefit rather than another, but by reference to an incidental financial question, namely whether or not a given type of assistance carries a federal grant.

(2) The limitation of the federal grant-in-aid to certain types of relief only has distorted state finances in many cases.

The necessity to provide in state budgets for the types of assistance carrying a federal subsidy has led to a *de facto* earmarking of taxes for these purposes.<sup>9</sup>

<sup>9</sup>Actually Wyoming seems exceptional in providing that where there is a shortage of funds, locally raised money must go first for old-age assistance, second for dependent children, third for administration, and fourth for general relief. But the present situation in Missouri will probably become more general. Here, the legislature appropriated \$17,-

The consequences of this are both good and bad. On the one hand it means that in many cases proper provision is now being made for the first time to meet the costs of dependency. But on the other hand, where resources are limited or there is an unwillingness on the part of state and local authorities to consider the dependency problem as a whole, this ear-marking of available funds for the social security types of assistance gives certain groups priority of access to the funds and leads to a worsening of the position of other types of dependent persons. There are already indications in some states (e.g., Oklahoma and Colorado) that an unbalanced and unduly generous policy toward aged people (which has probably not been unconnected with the possibility of in this way securing access to federal funds) has caused an acute shortage in the funds available for meeting other types of dependency. We may well find the same situation arising for different reasons in some of the state unemployment compensation laws. In Wisconsin, for example, the state has accumulated in an ear-marked fund from payroll taxes a reserve of \$25,000,000, but in the last year paid out for the relief of unemployment only a little over \$1,000,000, or approximately 8 per cent of the amount collected throughout the year. Only experience will show whether the various conditions determining eligibility and the extent of unemployment in other states will produce similar untouchable surpluses. This

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000,000 for old-age assistance during 1937-38 but had expended little over \$3,000,000 by September 30th. Unless the numbers of pensioners are greatly increased (and in Missouri today the trend is in the opposite direction for good reasons), or unless the average pensions are raised from \$14 a month to \$27, a considerable part of this fund will not be drawn upon. Meanwhile the appropriation for direct relief was only \$9,000,000 of which \$5,900,000 remained available on September 30th.

segregation for special categorical relief of funds which may or may not be expended, at the same time as considerable groups of dependent people remain inadequately provided for, cannot fail to give rise to considerable criticism.

Finally, the impact of the act in financial matters can be seen within the states. It is a condition of federal aid under titles I, IV, and X that the state must participate financially in the plan. Many of the new welfare laws now extend this practice to the field of general relief, although the state's financial responsibility in this realm is not as yet defined as sharply as it is for categorical assistance. While the developments justifying a widening of the area of financial responsibility for relief occurred prior to the passage of the act, it is difficult to escape the conclusion that the act has precipitated the change in the laws. It remains to be seen whether this increased financial responsibility will strengthen the tendency to state administrative responsibility in the field of general welfare.

#### REPERCUSSIONS ON GENERAL WELFARE AND RELIEF ORGANIZATIONS

During the last two years there have been prodigious changes in the administrative organization of public welfare in the various states which can be very largely attributed to the social security act. The requirements in titles I, IV, and X that there must be a central state authority responsible to the board for the administration of these types of assistance and that states must participate in financial aid have necessitated the reorganization of administrative units within the states. In many cases the opportunity has been taken to revise the entire public welfare set-up at the time these new departures were made.

The emergent tendency to develop state public welfare departments has been greatly strengthened.



There are today twenty-five state laws providing for an integrated administration of the three social security types of categorical assistance and general relief; two in which general relief, old-age relief, and assistance to dependent children are integrated; and twelve in which there is an integrated administration of old-age assistance, blind assistance, and aid to dependent children. More and more the states are tending to assume greater administrative responsibility, not merely for the categorical types of assistance but also for general relief. At the same time new administrative departments have been created by the development of unemployment compensation laws, and the evolution of separate employment offices under the Wagner-Peyser act. There can scarcely be any problem more important at the present time than that of developing appropriate administrative units for these welfare services.

Unfortunately, there are no clear principles by which we can be guided in grouping these administrative services. On the functional side the arguments in favor of merging unemployment compensation and the employment service are generally agreed to be very powerful. But it is less often realized that they apply with equal cogency to the residual relief system. The desirability of stressing access to job opportunity is as imperative for the man drawing residual relief, whatever its form, as it is for the recipient of unemployment compensation. For the employment service to feel that its first concern is with the latter (as is likely to happen if residual relief clients are the major responsibility of another department) leads to unfortunate results as the German experience has shown. A well organized work program (either in the form of public works or work relief) which gives this expensive type of relief to those who are most in need of it, must be operated through a common employment office

that feels no special loyalty to one category of the unemployed. We have already seen what difficulties arise when an employment service, geared to one objective, is asked to carry out placement functions for another department in connection with work relief. Moreover, since unemployment compensation and all other types of relief can exist side by side only if there is proper coordination of the levels of benefit and conditions for benefit under each system, it seems highly undesirable to split responsibility for determining what these shall be between two or more independent departments.

It is for this reason that the proposals of the President's committee on government reorganization are too simple a solution. The line between the administrative departments can hardly be drawn solely on the basis of whether the security is given as a right or on the basis of need. For in both old age and unemployment dependency we have committed ourselves under the security act to benefits of both types. Already it is becoming clear that the benefits available under the contributory system must bear a logical relationship to those available under the non-contributory, and vice versa. The experience of England and Germany indicates that the same problem arises when unemployment compensation and assistance exist side by side. Can we hope for a well balanced relationship if administrative responsibility for these inter-related services is vested in independent departments? Nor is it certain that we have said the last word as to the scope of these two types of benefit. Can we expect that questions affecting the relative importance of the two types of security will be decided by reference to broad social considerations when two competing departments are concerned, and the question becomes one of relative prestige?

These questions of principle are diffi-

cult enough. It is even doubtful whether we can hope to reach any satisfactory solution of the administrative problem until we have adopted a definite policy concerning those parts of the relief field which the security act does not touch. The nature of the unemployment relief system, outside the narrow sphere touched by unemployment compensation laws, is, as I have indicated, still problematic. We shall face one type of administrative problem if those not cared for by compensation are to be assisted through a federally administered and financed work program. We shall need another type of administrative set-up if there is to be created an unemployment assistance system, financed in part through federal grants-in-aid, which will stand between compensation and general relief. We shall have yet a third type of administrative problem if the residual system should be of the nature of the British unemployment assistance scheme which aims to make complete provision for the needs of the able-bodied unemployed, eliminating any recourse to general relief.

Even within the narrower field of public assistance our present uncertainty as to the nature and necessity of categorical relief has repercussions on administration. If the kind of assistance to be given to the blind, the aged, and dependent children is to differ in no fundamental respect from that available under the general welfare laws the case for separate administrative units is weak. Until we know how far the categorical approach (either of the social insurance or the pension type) is to be applied it is impossible to know how large a dependency load will be left to the general poor law authorities and therefore impossible to devise a satisfactory administrative scheme for this service.

#### SUMMARY

The social security act has had reper-

cussions of the greatest importance on the relief problem. Yet, while solving some problems, it has inevitably created new ones because it affects only part of the realm of dependency. In regard to the type of security provided for individuals (i.e., the form of the benefits) the act has made general the categorical approach for certain dependent groups. But the nature of this categorical aid differs so markedly from the older forms of categorical assistance as to raise the question whether the older social justification for the categorical approach can be applied to our own pension and unemployment compensation systems. Future policy must depend upon a decision as to the value of the categorical principle itself, and this decision must in turn take into account current modifications in general public welfare policies. If the categorical approach is to be maintained, two consequences follow: first, the appropriate federal departments must assume more responsibility for insuring that the nature of this assistance shall correspond to the purposes for which it was adopted; second, the superior type of assistance thus offered must be made available beyond the limited groups to which it is now confined.

In the financial realm the security act also raises new difficulties because it does not yet cover the entire dependency field. So long as federal monetary aid is confined to certain special types of assistance the choice facing the states between one type of assistance and another will largely be made by reference to the possibility of securing federal funds. Here the immediate step is to provide a permanent solution of the residual relief problem, and to do so in a way that will not limit federal financial aid to any one type of assistance.

Solution of the administrative problem created by the security act must await a solution of the two major problems

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# The Relief Picture in New York State

*Removal of relief from Temporary Emergency Administration to Department of Social Welfare marks transfer from temporary to permanent status*

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ON JULY 1, 1937, New York State terminated the emergency period of nearly six years during which both the state and the localities operated under a temporary welfare statute. The emergency relief functions of the State Temporary Emergency Relief Administration were transferred to the State Department of Social Welfare, which has been completely reorganized to enable it to carry out these important functions and its additional responsibilities under the social security program. In the counties and cities the transfer to a permanent status for administration of home relief is in process and will be completed in the course of the next year.

The New York public welfare law now provides a comprehensive system of general relief covering every needy person whether in the state one day or all his life, and making special provision for the aged, the blind, and for certain children under care of their parents or relatives. Legislation passed in 1936 enabled the state to receive federal grants for old-age assistance. In 1937 the state laws relating to mothers' allowances and blind relief were completely revised and liberalized, and federal grants for aid to dependent children and assistance to the blind have been received since May of this year. On July 1, 1937, three very important changes in the public welfare system went into effect:

(1) State aid of 40 per cent of the cost of home relief, provided during the emergency, was continued as a permanent state policy.

(2) State aid of 40 per cent of the salaries of all employees of city and county departments of public welfare was provided.

(3) The state assumed responsibility for 100 per cent of the cost of relief for persons proved to have no settlement in this state, thereby relieving the localities of the cost of relief of non-residents which they had been carrying since the termination of the federal transient program.

Administration is a local function under the New York State laws, with the state contributing to the cost of various types of relief, and responsible for supervision of local administration. While it is not difficult to pick defects in any law, the New York public welfare law is as satisfactory as anything that can be secured at the present time. One weakness is the excessive number of small administrative units which cannot be corrected at this time because the towns still desire to retain their public welfare function. Another defect is the many categories of relief which is also beyond the control of New York State because of the federal social security program.

The New York State relief system is complex because the locality pays different proportions of the cost of various forms of relief, and of the salaries of workers who administer them. Administration is complicated by the fact that the locality pays 60 per cent of the cost of home relief, 100 per cent of the cost of hospital care, institutional care of adults, and care of children in institu-

tions and boarding homes, 25 per cent of the cost of old-age assistance and assistance to the blind, and 50 per cent of the cost of aid to dependent children. Generalized administration is difficult because of the different rate of state aid for salaries of workers administering the special forms of relief from that for general relief. Experiments are being made, however, of having one worker administer two or more forms of relief instead of one worker for each type of relief. This, it is hoped, will avoid excessive cost of administration and the disadvantage of having too many workers dealing with one family if it happens to need more than one type of relief.

#### DEFECTS IN RELIEF PICTURE

Local financing of home relief is the most unsatisfactory spot in the state's relief picture. For the first time since 1931, the state financed its share of the home relief costs from current funds. The heavy cost made current fund financing impossible for the locality. The power of the locality to borrow for home relief was continued by the 1937 legislature, though with limitations intended to put local financing on a current fund basis by 1942.

Another unsatisfactory situation is that the public welfare law permits, but does not require, that home relief be given in cash. While the largest number of relief recipients receive relief in the form of cash because New York City uses this method, all but two of the administrative units in upstate New York give home relief in the form of orders for food, rent, fuel, clothing, etc. It is greatly to be regretted that so many units in New York State still cling to this antiquated method of granting relief.

The most encouraging feature of the New York picture is the improvement in the administrative structure. The State Department of Social Welfare, for the first time in its history, has a staff

in some degree commensurate with the volume and importance of its work. The department operates on a decentralized plan with seven area offices and central bureaus and divisions for policy-making, special services, and research. It has extensive supervisory powers and authority to make rules relating to public relief administration necessary to safeguard the administration of the state and federal funds for which the department is responsible.

#### WELFARE DEPARTMENTS MORE ADEQUATE

The city and county departments of public welfare are markedly better equipped and stronger than before the depression. Home relief is better administered, and more adequate. The administration of old-age assistance by the counties and cities has steadily improved. The effect of the new law relating to aid to dependent children cannot yet be determined as it has been operating for such a short time. A number of upstate counties have, however, taken advantage of the optional provisions permitting the transfer of this form of relief from the county board of child welfare to the county department of public welfare. This transfer has been made in sixteen upstate counties and is under consideration in a number of others.

The picture is not clear in so far as the volume of expenditures and number of relief recipients is concerned. Generally speaking, there seems to have been some decrease in expenditure for relief and for WPA and an even greater decrease in the number of recipients if one compares the two years ending September 30, 1936 and 1937. The trends in New York City and upstate are, however, rather different. In New York City there was a slight increase in expenditures, while upstate there was a 39 per cent decrease. The average monthly number of recipients decreased 11 per cent in New York City and 42



per cent upstate. For the same periods, WPA reduced its expenditures for wages for persons with relief status by 13 per cent—from \$256,000,000 to \$223,000,000—and its average number of recipients from 311,000 to 247,000. Total expenditures for unemployment relief and WPA decreased by \$50,000,000 or 12 per cent, and there was a 20 per cent decrease in the estimated average number of recipients.

Comparing September 1937 with September 1936, general relief expenditures had increased about 1 per cent to \$9,625,000, old age assistance 73 per cent to \$2,295,000, aid to dependent children 6 per cent to \$1,096,000, blind relief 26 per cent to \$44,170. On the other hand, WPA had decreased 19 per cent to \$13,860,000. The total for locally administered relief, excluding WPA, was \$1,150,000 higher in September 1937 than in September 1936. WPA spent \$3,300,000 less. The total expenditures were therefore about \$27,000,000 as compared with \$29,000,000 in September 1936.

In so far as recipients are concerned, in September 1937 there was a downward trend, except in old-age assistance and aid to dependent children. There were 27,000 fewer home relief recipients, and 100,000 fewer WPA recipients. There were 40,000 more old-age recip-

ients and 1,000 more families receiving aid for dependent children. In the light of the marked decrease in the number of WPA recipients compared with last September the decrease in general relief recipients is encouraging, though it is partly due to the increase in the number of recipients of special forms of relief.

One can hardly discern a "trend" in the relief situation. Expenditures for locally administered relief tend to increase, while WPA expenditures tend to decrease. Old-age assistance has probably already taken the majority of the eligible cases from 65 to 70 years of age off the home relief rolls. Consequently, the number of recipients of this form of relief is not likely to increase as rapidly as it has since October 1, 1936, when the eligible age was dropped from 70 to 65. On the other hand, many aid-to-dependent-children cases have as yet not been transferred from the home relief rolls, particularly in New York City, so a considerable increase in this form of relief is to be expected. The usual seasonal increase in home relief must be expected, but there are too many uncertain factors to make even a guess as to the course of home relief during the coming year.

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## IMPACT OF SECURITY ACT

(Continued from Page 20)

discussed above. Until broad decisions of policy have been made concerning the place which different forms of assistance are to play in the total relief system and the methods by which they are to be financed, it would be premature and indeed prejudicial to attempt to evolve any permanent administrative organization. Discussion of the ideal

form of administration has meaning only when there is knowledge of the system that has to be administered and this is unfortunately still lacking.

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# Illinois Investigates the Relief Situation

*Governor appoints prominent business and civic leaders as members of a council of public assistance and employment to investigate relief problems*

LEO M. LYONS

*Commissioner of Relief, Chicago*

WHILE most of us think of public assistance in terms of the last few years, it should be remembered that many of our poor laws can be traced back to Queen Elizabeth of England. In Chicago, the authority under which the city administers relief became effective July 1, 1936; however, the legislation placing this responsibility on the city was an amendment to the state pauper act which was passed in 1874.

This act of 1874 provided for the care of paupers and placed the responsibility for aiding them on local officials. Subsequently, through special legislation, the responsibility for providing public assistance in Chicago and Cook County was placed on a specially created branch of the county government, the Bureau of Public Welfare. This bureau was placed under a director who was selected through civil service and who has had general charge of outdoor relief and other forms of public assistance which are now provided by the county.

It was only seven years ago that the need for some unusual efforts to provide for dependent persons became evident. In the fall of 1930 the situation was met in Chicago and Cook County by a private fund-raising drive through which five million dollars were collected to supplement the resources of our various local charities. The following fall a drive was launched through which approximately ten million dollars was provided. At this time a special service,

known as the unemployment relief service, was set up and financed with privately raised funds in order to care for those persons who were in need because of unemployment. In this way a distinction was made between persons whose problems were purely economic and those whose needs were complicated by other social factors. As a consequence, the Cook County Bureau of Public Welfare and the private charities were able to continue their more specialized activities and were not forced to add the burden of unemployment relief to their already increased loads.

It became evident in 1932 that relief in Cook County and other sections of the state of Illinois could not be financed in its entirety with locally raised funds and the Illinois general assembly was so advised. On February 6, 1932, the Illinois Emergency Relief Commission was created and an emergency relief fund was appropriated.

The creation of the Illinois Emergency Relief Commission marked a distinct step in the history of public assistance in the state. In the first place, the state accepted responsibility for the care of its destitute citizens. Up to that time the responsibility had been considered purely local in character. The act creating the commission empowered that body to assist persons who "by reason of unemployment or otherwise" were in necessitous circumstances. In other words, the principles under which public assistance was to be given were broadened to recognize lack of employ-



ment as a reason for assisting a needy person.

When the commission was organized it adopted certain basic policies that guided its action during the entire time that it was responsible for the administration of relief. The first of these was that relief should be given on the basis of need. It felt that any sound relief program should deal with individuals on the basis of their individual problems, and in so far as possible supply their individual needs.

#### LOCAL RELIEF ADMINISTRATION

The second basic policy adopted by the commission provided for local administration of relief. In downstate counties, other than Cook, the commission appointed county emergency relief committees to act as its agents in directing the relief program. The county committee, however, was not expected to handle the actual details of administration; these details were carried out by a staff serving under an administrator whose training or experience qualified him for the responsibilities involved in supervising such a program.

In Chicago and Cook County, the commission administered relief directly through the unemployment relief service which had been set up by the private fund-raising agency and through the use of the family service stations of the Cook County Bureau of Public Welfare. In other words the commission took over the facilities which were already functioning. The administration of relief in Cook County was placed under an administrator who was appointed by the commission and responsible directly to it.

The state commission administered relief from February 6, 1932, through June 30, 1936. During this time, the commission administered funds totalling approximately \$370,000,000, and cared for as many as 320,000 resident family cases in a single month. When the

CWA program was launched in 1934, within forty-eight hours work relief projects were transferred without interruption in operations. When the CWA was discontinued the commission was able to immediately revive its work relief program, and when the WPA later took over most of these projects and a large part of the commission's personnel, a further adjustment was made.

It is believed that the advancement made in welfare work in Illinois during the four years that the commission administered relief was equivalent to twenty years of normal advance in public assistance planning. This applies not only to the magnitude of the job, but to the basic policies that guided its operations. The commission's recognition of the individual as a human being to be dealt with on an individual basis, the preservation of the family as a social unit, its objective approach to the problems of public assistance have all had their mark on the social thinking of the state.

The very magnitude of the commission's efforts, however, naturally created some resentment. Relief is never popular, and a program such as this was bound to result in some unpopular reactions. The focal point of this reaction was the social worker. We began to hear the charge that the social worker was long on theory and short on practice, that local people who were close to the problems of their communities could administer relief better than the commission's administrators, that relief should be turned back to the counties and to the townships.

Through concerted effort on the part of public officials the legislature acted on these criticisms, and on July 1, 1936, the state commission was relieved of the responsibility for administering relief, and the overseers of the poor again took over the job. In terms of administration this meant that instead of the

102 county committees there are now 1,454 independent governmental units, each of which is responsible for establishing relief standards, personnel standards, for accepting applications for relief, and for determining eligibility for aid. In Illinois, township supervisors as overseers of the poor are empowered to care for all recipients of general relief.

The law which transferred this responsibility also provided that downstate units could spend not more than 5 per cent of moneys received and expended for relief to meet administrative costs. Chicago was allowed 8 per cent.

#### STATE GRANTS

The state continues to assist in the care of persons in need by making an appropriation of \$3,000,000 per month. This is allocated to governmental units which qualify under further restrictions provided by law. To be eligible to receive a part of this state fund, a governmental unit must make a general property tax levy of three mills per dollar of assessed valuation. The Illinois Emergency Relief Commission ascertains the difference between the total needs of the eligible governmental units and the local funds which they have to meet these needs and prorates the available state funds among them. For the month of November these state funds met about 64½ per cent of the needs which could not be met with local funds.

How does this affect the individual governmental unit? If local funds are sufficient to finance the relief program, there is no problem. As the ratio of local funds to total needs goes down, however, the situation becomes increasingly serious. A governmental unit that has exhausted its local funds is obliged to curtail its relief by about 35 per cent or in some way anticipate against the future.

How did this affect Chicago? When

the city found this problem on its doorstep it set out to meet the situation in a practical, matter-of-fact way. The city council created a new division of city government, the Chicago Relief Administration, and appointed a commissioner of relief. This commissioner, who held a similar position under the state commission, took over the staff and administrative machinery which the commission had used in Chicago so that there was no break in personnel and no change in procedures as a result of the change in responsibility. It might be stated here that at no time has the mayor or other city officials attempted to direct the formulation of policies or the selection of personnel by the Chicago Relief Administration. This is true of the governor and the state commission.

The Chicago Relief Administration has a few clear-cut policies which are basic to its operations. In the first place, staff is selected on a merit basis. A personnel department accepts all applications for employment and determines the eligibility of applicants for specific positions in the organization.

Case work is directed by executives with long years of experience and training in this field and is actually carried out by persons with training or experience in meeting problems of social adjustment.

Accounting procedures for all funds are under the direction of a certified public accountant.

All relief given by the Chicago Relief Administration is on the basis of individual need. Special departments are maintained to handle the more technical problems involved in making property and insurance adjustments; in meeting the problems of small tradesmen; and in providing special medical diets, investigation, fraud, restitution, and other highly specialized types of aid.

The efficient functioning of the Chi-



cago Relief Administration is limited by staff. As a consequence of the law which permits the city of Chicago to spend not more than 8 per cent of its relief funds for administrative purposes, services in all departments have been curtailed.

#### FINANCING RELIEF IN CHICAGO

Relief in Chicago is financed by a three-mill general property tax and by allocations from the state relief fund. This three-mill tax is the maximum the city of Chicago can levy for relief; therefore, the extent of relief money in Chicago has a very definite limit. The levies for 1936 and 1937 totaled \$11,741,572, against which 75 per cent could be anticipated. This 75 per cent was exhausted on September 15th of this year. It thus became necessary to restrict expenditures to state funds and as a result relief needs were met to the extent of 70 per cent in September, having only \$2,189,524 to meet an estimated requirement of \$3,111,853. In October needs were met to the extent of only 63 per cent, having only \$2,060,925 to meet an estimated need of \$3,245,854. The city council, faced with this very serious problem and having done everything that it could under the law, took upon itself the responsibility of meeting the situation. By a special resolution passed by the council in October, the city comptroller has been able to transfer funds from the city's aggregate fund to its relief fund and to credit this transfer against that part of the 1937 tax levy on which no funds have yet been anticipated. As a result, an upward adjustment in relief budgets has been possible for the months of November and December. We still face a shortage of \$500,000 each month.

The Illinois Emergency Relief Commission and the Chicago Relief Administration regard relief as at best a necessary evil and have been seeking a solution to the problem. At the suggestion

of the state commission, Governor Horner appointed a group of prominent business and civic leaders to a council of public assistance and employment to act as a fact-finding and coördinating body in solving the problems of relief and unemployment. This commission has started operations with a comprehensive program that provides for a re-examination of relief cases with particular emphasis on those cases having employable members, an inventory of the labor supply in order to coördinate the relief rolls with work opportunities, the securing of maximum coöperation from business and industry in giving employment to employables on relief, and a number of other important aspects of the relief problem.

In the meantime we are continuing an attack upon the problem from the viewpoint of finding employment for persons on relief rolls. Continuous registration of employable clients with the State Employment Service is required, and a study of unemployable cases has recently been conducted with a view to ascertaining how many such cases might be made employable through vocational training, the purchase of special appliances, medical or surgical treatment, or through any other procedure. This is being followed by a labor inventory of employables on relief.

The importance of looking at the relief problem as something that calls for long time planning should be emphasized. Pouring more dollars into relief is not the solution. Merely keeping people from starving isn't going to restore them to normal self-support, and until they are restored, the relief problem will continue with us. The step taken by the Governor of Illinois in appointing a council on public assistance is the kind of thing that will help us find the solution to this problem, it will bring to us the advice and counsel of men who represent the large group

of taxpayers, and men who hold the key to employment opportunities.

Some of the thinking of this group as its members have outlined their thoughts in various conferences is of interest. Their general comments were to the effect that:

(1) Many on relief will not take jobs in private employment if given the opportunity; (2) public relief and public employment agencies are filled with political appointees; (3) politics enters to a considerable extent into the distribution of relief; (4) all public assistance should be handled purely on a local basis; (5) social workers are perpetuating the relief problem so they may perpetuate their jobs; (6) more efficiently operated governmental offices would release ample funds for relief purposes; (7) the State Employment Service is inefficient and the government should not maintain a free public employment service; (8) private employment must absorb the unemployed.

They pointed out in their discussion that there were certain obstacles which in their opinion affected re-employment by industry:

(1) No more employees now needed by many concerns; (2) loss of work habits and the forming of bad attitudes on the part of the unemployed; (3) loss of skill by artisans who have been out of work for a long time; (4) increasing age of former workers now receiving public assistance and the indisposition on the part of many employers to hire men above certain ages; (5) lack of skilled workers on public relief rolls; (6) high workmen's compensation insurance costs, etc.; (7) uncertainty among industrial leaders which hinders future industrial expansion; (8) social security taxes lead to reluctance in hiring additional employees; (9) heavy and increased taxes and increases in other costs are reducing profit margins; (10) the critical attitude of governmental bodies toward industry and the increasing burden of governmental regulation discourage cooperation on the part of industries; (11) labor difficulties and the attitude of unions relative to the hiring of apprentices, use of non-union workers, initiation fees, etc.; (12) wage increases and high wage levels limit the number of persons employed; (13) technological unemployment; (14) restricted purchasing power.

We may or may not agree with these general opinions, but certainly it gives those of us who are concerned with this problem of relief administration food for thought.

As a result of these general discussions the group resolved to attack the problem on the following basis:

(1) A complete and realistic re-examination of the cases currently receiving relief, with particular emphasis on those cases having employable members. This re-examination should take the nature of a re-application for relief by all cases now receiving relief.

The Chicago Relief Administration has already scheduled such a re-examination. The re-application for relief will include the furnishing of new affidavits and will concentrate upon the monthly needs of relief cases and their available resources.

(2) A complete inventory of the labor supply now on the relief rolls should be taken in order that the relief rolls may be coordinated with employment opportunities.

The Chicago Relief Administration in its re-examination of the relief rolls plans to make such an inventory of the employable persons on its relief rolls, furnishing for employment purposes the necessary vocational information.

(3) The program of the State Employment Service should be so arranged that special and continuous attention can be given to those on the relief rolls. Some arrangements should be worked out whereby all persons receiving relief once registered with the employment service would remain actively registered until they are no longer on the relief rolls.

(4) Maintain the works program employment at the present or if possible at a higher level for the time being until means can be found to reduce its necessity.

(5) If removal from the relief rolls of worthy cases is necessary in order to keep within the funds available, proceed systematically to remove cases who will be subject to the least hardship.

(6) Appeal to business and industry to employ as many as possible. Urge business and industrial associations to circulate this appeal to their membership. Addresses on the relief problem by qualified persons before meetings of business men should be arranged.

(7) Encourage employers to use the Illinois State Employment Service.



In giving consideration to the long time plan, the committee suggested study of the following:

(1) Analysis of experience and skills of the unemployed; (2) location of existing employment opportunities and determination of future trends; (3) the need for retraining on the part of unemployed in order that they may regain former skills, master new trades, and regain morale; (4) the training and placement of handicapped workers; (5) collection of accurate statistics on: (a) number of unemployed, (b) number of persons receiving public assistance in all categories and cost of public assistance;

(6) The consideration and presentation of the best plan for a public assistance program in Illinois; (7) consider all such changes in state laws as may be desirable to aid in the solution of the problem; (8) plan program to enlighten the public regarding the relief problem in

order that intelligent coöperation may be obtained; (9) use every possible means to make the acceptance of relief unpopular.

This may or may not be the wise approach to the problem, may or may not bring results. It can only be determined by testing. However, as commissioner of relief of the city of Chicago the author is convinced that through this approach there are many persons in Chicago who are much more aware of the complexity of the problem than they were prior to the appointment of this council on employment and public assistance.

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EDITOR'S NOTE.—Address delivered before Forty-third National Conference on Government of National Municipal League, Rochester, New York, November 19, 1937.

## PUBLIC WELFARE, RETROSPECT —PROSPECT

(Continued from Page 8)

it meets the needs of millions of needy and under-privileged citizens, and whether politicians instead of trained people direct the program, depends upon the enlightened self-interest of the American people and the kind of leadership which they get in positions of high public responsibility in the city, state, and nation.

Consider the fourth chapter of Proverbs: "Wisdom is the principal

thing; therefore, get wisdom. Yea, with all thy gettings, get understanding." America is full of brilliance, but it has never had an oversupply of wisdom—the wisdom which keeps theory in touch with practice and ideals related to reality. Wisdom is the essential quality needed to buttress intelligence and bring us nearer to a satisfactory way of life for the people of America.

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EDITOR'S NOTE.—Address delivered before the Forty-third Annual Conference on Government of the National Municipal League, Rochester, New York, November 19, 1937.

# Relief Problems of Local Governments

*Reports from Philadelphia, Providence, Boston, Rochester, and Monroe County*

## PHILADELPHIA

Philadelphia, with a tax rate only moderately high when compared with those of other large cities, has exceeded its debt limit by over \$30,000,000, and has in addition a current deficit of probably the same amount. It has attained these heights without contributing anything worth mentioning to relief. Not a cent has been given to direct unemployment relief for five years.

Having wriggled through to this point, the city seems out of danger for the present, since, as between city and state, the state is assuming full responsibility for administering and financing relief. The work is headed up in a state department of public assistance, with local administration in charge of bipartisan county boards of assistance, named by the governor with the consent of the senate. It is generally understood that such removal of local responsibility is not usual and is open to criticism.

The state's responsibility includes unemployment relief, outdoor poor relief, old-age assistance, aid for dependent children, and pensions for the blind. The word "pensions" is used because payments to the blind are not based on need. It is said that a good bit of old-age assistance in Pennsylvania is on a pension base also. The state assumption of financial responsibility relieves the city of Philadelphia of appropriations for outdoor poor relief that have been in the \$10,000 a year zone, and of responsibility for what has been called "mothers' assistance," running from a third to a half million a year.

At the end of October, 1937, the Philadelphia county board of assistance had about sixty thousand cases on its rolls, involving 157,700 persons. The October cost to the state was over \$2,300,000. The state at large is spending at a rate \$1,000,000 a month in excess of its appropriation.

The load in Philadelphia had been declining but shot up sharply in October. WPA is easily spotted as the villain. Factors other than WPA had been taking cases off the rolls faster than they came on, though at a dwindling rate. But in October, while the other factors took three hundred cases off, WPA retrenchment put two thousand cases on. WPA retrenchment is in part to be laid at the city's door. Its appropriations have been low and for small-scale projects.

The relief situation obviously gives Philadelphia's government little ground for complaint. Nor does it give the local government very much to boast about. Many of its citizens find it impossible to believe that the poor mouth it puts up is justified. Contemplating its none too proud record, one is reminded of the ladies bountiful who asked the great industrialist for help in founding an orphan asylum. He replied that he would be glad indeed to make a substantial contribution to start them off. How many orphans would they like him to give?

CLARENCE G. SHENTON

*Philadelphia Evening Bulletin*

## BOSTON

The severity of Boston's relief problem is indicated by a fairly recent

analysis by the Boston Municipal Research Bureau. That analysis showed



that in the spring of last year about one out of every four persons of our local population was either directly or indirectly connected with local and federal relief rolls. Prior to the depression the city had about six thousand cases on local relief. Now there are some fifty thousand on both local and federal rolls. In broad outline it may be stated that the number of city cases increased slowly through 1931 and then advanced rapidly to a peak of about thirty-five thousand in 1933. Late that year federal help was started, and city welfare rolls have slowly declined to about twenty-six thousand cases at the end of last year.

Aside from social security cases, federal relief has been strictly separate from city relief since 1934 and on a work relief basis. At first Boston received much less liberal help than did other large cities. That fact roused vehement protests resulting in an improved situation. During 1935 and 1936 the federal government assumed a case load about equal to that of the city.

Expenses connected with the case load have been staggering. Over the past eight years Boston's expenditures for the many different services of local government have increased from about seventy to eighty million dollars a year. We were able, with comparative ease, to provide for some \$3,000,000 of relief expenditures back in 1929. Such inclusion, however, has been infinitely more difficult since relief expenditures have increased so markedly—\$13,000,000 at the peak of the depression and \$11,000,000 last year. During 1936 the combined federal and local relief expenditures were at the all time peak of \$32,000,000, or more than all city costs under the mayor amounted to ten years ago. This year may bring about a 10 per cent reduction in this total.

As is probably true in other cities, pressure to balance the federal budget

caused the WPA rolls in Boston to be cut during this past summer. Specifically these rolls were reduced by 5,500 cases. Between June and August 1,200 cases were added to city rolls and started an upturn in our relief burden which has continued in recent weeks as the new business recession has developed. In passing, the great discrepancy between 5,500 persons dropped by the WPA and only 1,200 being added to city welfare rolls should be emphasized. Whatever else may be said, the great spread between these two figures would seem to indicate that many of those being given federal work relief had other resources. It may be true, of course, that federal officials in Boston followed some selective process which destroys the representative character of this sample but there has been no public information available which indicates that such is the case.

During the depression there have occurred some cuts in Boston's governmental services but they have not been of great importance. Paying the bill has instead taken the form of a new record high tax rate during most of the successive depression years. It now stands at \$38.70. This rate, not far from 4 per cent of the value of individual parcels of real estate, is bad enough. It so happens, however, that the city has borrowed an average of about six and a half million dollars during each of the past five years in order to balance the budget and keep down the tax rate. The real reason for the borrowing is undoubtedly the fear of a local tax revolt if an adequate tax rate were levied. Moreover, large temporary borrowing has been necessary because no allowance of moment is made in our tax rate computation for tax delinquency. When these two aspects of borrowing are included, it develops that we are now spending in Boston at a tax rate equivalent to some-

thing like  $4\frac{1}{2}$  per cent of assessed valuation. Most local observers would agree that our assessed valuations are considerably higher than they should be.

Beyond any question federal aid is absolutely necessary and must be continued if Boston's and other systems of local finance, so largely based on the real estate tax, are not to collapse. Federal help is justified since federal sources of revenues are so much more flexible and are so largely based on a graduated income tax which should bear the relief burden of a depression to a very much greater extent than the real estate tax.

It seems to me that federal policies have been open to very serious criticism in that they have not been of a sufficiently long term character to permit cities to count on a given amount of federal aid in their annual budgets and to make their plans accordingly. In the future, federal help, whether large or small, should be announced on the basis of a full calendar year.

There is grave doubt as to whether the federal work relief policy should be continued, at least without considerable modification. From a financial standpoint Boston's financial situation is unhealthy, even dangerous, if present methods continue. Some federal aid at least should take the form of cash relief and in order to insure proper expenditure Washington officials should require that local standards be kept at a specified level. That level will not be difficult for Boston in view of its liberal local policies in the past. The importance of this question is indicated by the fact that, had federal aid to Boston last year been on the liberal cash relief basis which the city maintains, combined federal and relief cases would have been paid without a penny of local expenditures. Federal standards, maintained by inspectional forces, should also insure that only needy persons have been included on relief rolls.

Much of my reasoning for taking a position against work relief as an exclusive federal policy relates to observations of the administrative angle of work relief. Beyond question many of the projects involved have become a joke and, given the busy program of many city officials in connection with their regular duties, it seems that the supply of decent, useful projects is and will remain too small. From the standpoint of the individual relief recipient, benefits formerly argued to support the work relief thesis have been seriously weakened in my judgment. My own observation of men on work relief is that there is much soldiering on the job for more or less natural reasons. Why should such men do a decent day's work when that may mean working themselves out of a job more quickly? The worst of it is that the morale of the better men, just the men we have in mind in setting up work relief, suffers most seriously under such circumstances.

In Boston another question has been raised which merits airing. Under the traditional policy in New England, publicity has never been given to the names of the individuals receiving relief. That point of view was probably justified in the past but its continuation is doubtful when the stigma formerly attached to public relief is certainly decreasing, and in many cases may be at the vanishing point. In view of the huge public funds being spent for relief purposes, it is an important question as to whether comparable publicity should not be given to the amount of help extended in individual cases as now occurs with public salaries, contracts, and what not.

Finally, there comes the question as to the advisability of changing the basic federal administrative setup for handling relief. Federal authorities have partially decentralized administration, in so far as Massachusetts is concerned, by setting up a federal official in charge of WPA projects throughout the whole



state. This is, of course, a better arrangement than having someone at Washington, from a single central point, attempt in vain to adjust federal policies to local traditions and conditions.

I believe the decentralization should go further and that definite cash grants-in-aid for both cash and work relief should be made to Boston, for example. There is, of course, a danger of local manipulation for political and other purposes in this arrangement. In large measure such manipulation could be prevented by federal standards which must be met if federal aid is to be continued in a community. Poorly run, politically dominated city halls and city officials would, of course, be a problem.

But getting a decent dollar's worth of value from a dollar of federal contribution would, in my opinion, be feasible under a decentralized setup.

In conclusion, the need for a careful re-examination of the whole relief problem by a disinterested federal agency should be emphasized. The problem is of tremendous and continuing magnitude. I hope that social workers will be used to a maximum extent in making the investigation. But I also hope that others will make the conclusions, not because I undervalue the efforts of social workers, but because they are so close to the problems involved.

H. C. LOEFFLER

Boston Municipal Research Bureau

### PROVIDENCE

In terms of public relief the depression did not hit Providence until 1932. There had been a long slow rise in the number of "reliefers" prior to that date (figures go back only to 1924) but private charitable organizations carried the bulk of the load, and the cost to the city was relatively inconsequential and had been paid out of revenue.

Trouble was encountered in 1931, but \$600,000 was raised by private subscription, and that sum, plus a \$200,000 (100 per cent) increase in city expenditures got the city over that hurdle.

In 1932 private resources were obviously inadequate to meet the problem and both the city and the state entered the picture in a substantial manner. From an average annual case load which had increased from 250 in 1924 to about 550 in 1930 and 1500 in 1931, the public case load jumped to over 5,000 that year.

From an average annual expenditure in the early years of about \$100 per case, the cost increased in 1932 to an average of about \$350 per case.

Since 1932 Providence, like all other cities, has been subjected to a variety

of relief programs and methods, none of which have lasted long enough to permit the development of any system of accounting which will produce figures to show accurately the relative cost or values of any of these programs.

The number of relief cases has constantly increased. From 1500 in 1931 the number increased to about 5,000 in 1932, the year in which the city and state first entered the picture, to 7500 in 1933, 8500 in 1934, 9500 in 1935, 10,000 in 1936, and 10,500 in 1937. The total expenditure in the same years went from \$1,700,000 in 1932 to \$2,500,000 in 1933, \$3,800,000 in 1934, \$4,700,000 in 1935, and to more than \$6,000,000 in both 1936 and 1937.

Until 1932, the city carried all of the relief costs except half of the cost of aid to dependent children. In 1932 the state help amounted to about 70 per cent of the total cost and the city paid 30 per cent.

In 1933, 1934, and 1935, the city paid about 35 per cent of the total cost, the state about 30 per cent and the federal government about 35 per cent.

In 1936 and 1937 the city has con-

tributed about 25 per cent of the total, the state about 15 per cent and the federal government about 60 per cent.

Although the percentages show a substantial decrease in the proportion of the city's contribution to the total expenditures, the fact is that the total cost to the city increased from \$100,000 in 1929 to \$500,000 in 1932, to \$800,000 in 1933, to \$1,200,000 in 1934, to \$1,800,000 in 1935, to \$1,900,000 in 1936, and in 1937 the city's expenditures will be approximately \$2,000,000.

In 1932 there were about 60,000 employed in Providence in establishments employing five or more people. In 1937 the average number employed in similar establishments was about 75,000, an increase of 25 per cent.

In six years the city of Providence has gone into debt to the extent of \$7,000,000 for relief purposes, which exceeds by a wide margin any other debt contraction record for a single purpose in a similar period of time in the city's history.

As closely as can be determined from

available material, the several programs of relief have cost approximately as follows:

The city's chronic relief load has cost about \$300 per case per year and this cost has remained constant over the past five years; under the so-called SUR program, which provides relief for unemployed persons not in the chronic relief class and not on WPA, the cost is about \$400 or \$450 a year per case and this figure has remained fairly constant; the aid to dependent children program amounts to about \$600 per case; the old-age pension plan calls for an expenditure of about \$200 per person; the WPA program involves a cost of about \$900 per case per year.

These figures are too new to warrant comment or interpretation, but the fact that it costs twice as much per case for the WPA program as it does for the local SUR cases, is a matter that prompts serious consideration.

ROBERT M. GOODRICH  
Providence Governmental Research  
Bureau

#### ROCHESTER, NEW YORK

The relief load in this country passed its peak early in 1935. In Rochester, at the high point in February of that year, the consolidated case load of all public agencies showed a total of 17,720 cases, representing 18 per cent of the population. Included in case load are all relief cases whether on home relief or work relief, and whether the work relief is local, state, or federal, as under the WPA. Comparing the first nine months of 1936 with 1937 the average monthly case load was 14,598 in 1936, and 11,233 in 1937—or a reduction of 21 per cent. Comparing the month of September in these two years the case load was 12,646 in 1936 and 9,326 in 1937—or a reduction of 25 per cent. These figures show that relief is being reduced but almost wholly

under federal work relief, as during the past year the WPA has reduced the city case load by approximately 3,600 cases.

Tax leagues, chambers of commerce, the press, and others protest loudly that relief expenditures are too high, that they should be sharply cut. Employment and wage records are quoted as a sufficient reason. It is stated that employment and wage payments are almost up to the 1929 figures. Why then have not the relief rolls been reduced much more than they have?

In August 1937, a survey as to their employability was made of all individuals on public relief in this city over eighteen years of age. This showed that during that month there were 10,357 persons in relief families in that category. All classifications were made on



personal verification by the visitor on the case, viz: employed, employable, or unemployable. Reasons for unemployability, if not apparent, covering illness or physical disability, were verified by clinic reports. The survey showed that 2,168 persons were employed whose income was supplemented by aid from a public agency. Of these 732 were on federal work relief projects and 1,436 in private industry, either full time or part time. Unemployables numbered 5,508. Out of this group 2,850 were housewives; 1,634 were listed as having acute, chronic, or mental illness; 599 were unable to work because of old age, mostly over sixty-five years old but ineligible for old age assistance; 208 had physical handicaps; 142 were widows with dependent children; and 75 in school. Of the 2,681 classed as employable, 549 rating for light labor only because of some physical disability can be practically eliminated; those claiming to be domestic servants 141, and a third class listed as unwilling to work totalling 122, can likewise be eliminated. This last class has been given this status after repeated efforts at placement on private and public work. There is a balance then of employables of 1,869. Of these 980 claim some experience and 889 no experience. How many of this group can be permanently placed is a question.

One proposal is that all work relief be discontinued and where necessary these persons be given home relief. On WPA it is estimated there are about 3,600 city cases. In this event a certain proportion of these would be eligible for home relief, thereby increasing the local cost, inasmuch as the federal government pays all wages, the city contributing a certain percentage of materials, whereas if on home relief the city would pay 60 per cent of their support.

Regardless of statistics on employment and payrolls, which claim to be

almost up to the 1929 level, one of the most sensitive indices of economic conditions is the applications for relief which come to welfare departments daily and the acceptances after adequate and thorough investigation. In the first half of this year acceptances were about even with 1936. In June an upward trend began, and in September and October the applications of the department of public welfare increased 16 per cent and the acceptances 117 per cent over the same months in 1936. This is amply indicative of a slowing up of employment. The reason for this apparent contradiction is obvious: relief applicants come in a very minor proportion from the large, highly organized businesses from which employment and payroll figures are obtained.

We have facing us as a major reason for the present size of the relief rolls, the cumulative effect of eight years of more or less continuous or recurrent dependence on public support of a considerable part of the population. The effect has been a weakening of the moral fibre of the individual subjected to this method of subsistence. The corrosive influence of this form of living over a term of years on those members of a family who have grown from childhood to manhood is immeasurable.

It is of interest to analyze the applicants for relief. In 1934 the percentage of new applicants never known to a public agency before was 39 per cent; in 1935, 36 per cent; in 1936, 13 per cent and so far in 1937, 12 per cent. This is encouraging. There always will be a certain percentage of new cases. Whether we have reached the minimum is unknown. The problem lies in the cases which are used to relief, which are closed at times because of sufficient income, but which lapse again to a relief status when income ceases.

The problem of how to operate efficiently a public relief department

rests mainly on a well trained and competent staff of social workers, selected through a merit system. Too much emphasis cannot be laid upon the necessity of having a staff adequate in size to carry the case load. Constant planning with families to use every resource and possible opening for employment is a slow but sure method of reducing the case load. The statement of the Urbanism Committee of the National Resources Committee, that "the social welfare service should be protected from partisan politics and from the curbstone opinion that no experience or training is required for this kind of work," can be heartily endorsed. Fortunately in New York State, through the TERA and the Department of Social Welfare, the standards and qualifications of social workers have been adequately guarded. The program of civil service status for all employees of welfare departments, which will be put into effect this coming year in this state, will serve, it is hoped, to raise the standards of all welfare department employees.

In addition to this an up-to-date method of accounting, keeping of case records, and active case load, order drawing and checking of resources must be had to control properly the relief given.

The resource division in the Department of Public Welfare of Rochester covers a wide field. This comprises a check of insurance, bank and postal savings clearings, safe deposit boxes, property, compensation, and payrolls of all relief applicants and relatives responsible for support. All this entails a tremendous amount of work but if properly done and applied it pays a worthwhile dividend.

One of the most important divisions

in a welfare department is the intake. The highest skilled personnel here is a necessity. Intake workers should be persons of experience, able to see the implications of the problems presented. Adequate time and careful interviewing often result in the applicant being able to see how he can work out his problems; a much more constructive method than to accept his need as though it could be met merely by relief.

What about the future? The task of working the relief load down, now that the survey previously quoted shows the small number of employables, will be a difficult one. The arbitrary policy adopted by certain states and communities of cutting relief rolls is no answer to the problem. Even in individual cases, punitive measures or the stopping of relief without an acceptance of this by the client, does not solve the question.

As to work relief, it is my opinion, after several years close contact with it and the present method of operation under federal control, that it should be returned to the states with a federal allotment, to be operated in conjunction with home relief if a community so desires to use it. The rules controlling projects acceptable should allow some opportunity for giving work to employables unable to do hard labor. In this category is a considerable number, who probably will never be absorbed by private industry. Federal assistance is needed but on a decreasing scale. A closer integration of work relief with home relief will lead to a more efficient control.

FRANK X. KELLY

Rochester Commissioner of  
Public Welfare



## MONROE COUNTY, NEW YORK

The Monroe County Department of Public Welfare administers all home relief in the county with the exception of city cases. It also administers old-age assistance and assistance to blind in both county and city cases.

The average home relief case load in Monroe County from 1925 to 1930 was four to five hundred cases. The case load, however, from January 1, 1931, to November 1931, when TERA was introduced into the setup, increased from the normal of 500 to 968. From that time until March 1933 it continued to rise until it reached an all time high of 6,734 cases, where it remained through 1934 and until the fall of 1935, when it began to drop. In August 1937 the load reached the low point of approximately 3,000 cases, about 1,500 of which were on home relief and 1,500 on WPA. This is the lowest point the load has reached since February 1932.

At the beginning of TERA in November 1931 expenditures ran about \$27,000 per month. The peak of expenditures was reached in the month of January 1935 with an all time high of \$285,600 per month. This was nearly two years later, however, than the peak in case load which was in March 1933. The higher expenditures were caused by increased food prices in 1935. From January 1935 expenditures continued to drop until August of this year when they reached the low point of \$37,500, which is the lowest since November 1931.

The cost per month per case in November 1931 was \$28.06. The trend of these costs continued upward and in January 1935 reached an all time high of \$36.25 per case per month. Since that time costs have continued downward and the average for the year 1936 was \$28.22 and for the first nine months of 1937, \$29.66. According to

the figures above the largest case load was in March 1933, the greatest expenditures in January 1935, and the highest case cost in January 1935.

The home relief load of 3,000—1,500 of which are on WPA at the present time—will probably continue upward through the winter and the trend from that time on will depend largely on business conditions. It will probably never go down to the predepression norm of five hundred but will level off somewhere between two and three thousand, which will be an increase over the normal case load for this county of approximately 500 per cent.

Materials to carry on WPA projects cost the county \$572,059.88 for the year 1936. This amount is exclusive of sums paid by municipalities within the county who sponsored projects other than the county. Had the present WPA load of approximately 1,500 cases been carried on home relief, it would have cost the county about \$6,000 less than to keep the workers employed on WPA projects. However, it is felt the work projects accomplished by WPA have far more value to the county than the difference in cost. This conclusion does not take into consideration the amount Monroe County will eventually be taxed to pay the wages of the workers employed on WPA. Cases carried on WPA including labor and materials cost about \$86 per month per case in Monroe County, or \$68 for labor and \$18 for materials.

*Old-age assistance.* Laws governing old-age assistance became effective January 1, 1931, and since that time the county has assumed a case load of 4256 cases—1648 of which were taken during the last year or since the age limit was reduced from seventy to sixty-five years. Monroe County is now carrying the largest case load of this

form of relief of any county in the state outside of New York City. It is expected the number of old-age assistance cases will continue to increase for about another year and will then level off somewhere between 4,500 and 5,000 cases. The average case cost for Monroe County is approximately \$22 per month. Due to increased living cost this will probably continue to rise.

*Assistance to blind.* The law governing blind assistance became effective May 1, 1937. At that time there were approximately eighty-five cases receiving grants under the blind commission. Since that time these cases have been put on approximately the same budget basis as old-age assistance, but this case load will neither increase nor decrease to any great extent.

The status of relief in Monroe County is unsettled. We are passing through

a period of confusion caused by the transfer of TERA to the State Department of Social Welfare. The county's entire staff must pass state civil service examinations within the next few months.

New federal and state laws are causing a continual transfer of hundreds of cases from one relief agency to another.

Monroe County is looking forward hopefully to the time when the relief situation including work relief and all other categories will settle long enough so that a sound, effective and economical setup can be worked out for the benefit of all concerned.

JESSE B. HANNAN

Monroe County Director of  
Public Welfare

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EDITOR'S NOTE.—Reports made before Forty-third Annual Conference on Government of National Municipal League, Rochester, New York, November 19, 1937.

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**Kalamazoo Now Debt-Free.**—Future managers of Kalamazoo, Michigan, will see each day on their office wall the picture of a man holding a bond while another man lights it with a match. Attached to the picture frame will be a glass tube, sealed at both ends, which contains the ashes of the bond.

This "memorial," it is hoped, will serve forever as a reminder that Kalamazoo, on November 1, 1937, achieved the distinction of being the only city in the United States of over fifty thousand population to be on a pay-as-you-go basis and free of general bonded indebtedness.

Twenty-three per cent of the budget went for principal and interest on a debt of nearly half a million dollars when Harry H. Freeman, the first city manager, took office on July 1, 1918. The new administration found an established policy of borrowing to keep the tax rate low. The realistic nonpartisan commission at once boosted the tax rate from 8.5 mills to 13.5 and inaugurated a policy of debt retirement. Since then debt has steadily decreased—and so have taxes. Careful planning of annual expenditures and strict control over all appropriations resulted from a detailed annual city budget.

Under the pay-as-you-go plan, adopted by the city's first commission under the manager plan, expenditures have been anticipated and cash reserves built up. When the depression came, Kalamazoo was not weighted down, like most cities, by debts incurred during prosperous times.

With this determination to stay out of debt, the city has not been so parsimonious as to neglect desirable improvements. These include a half-million-dollar city hall, a three-hundred-acre airport, two golf courses, new bridges, new parks and playgrounds, its own asphalt plant.

There was a single deviation from the pay-as-you-go plan when, in 1932, the city floated a \$295,000 bond issue for emergency relief. It is the ashes of the last of these bonds which rest in the glass tube as a constant inspiration for all who are to sit in the managerial chair.



# New York's 1937 Election and Its Results

*Reform administration succeeds itself for first time in city's history*

GEORGE H. McCAFFREY

*Merchants' Association of New York City*

**S**HORTLY before Mayor LaGuardia took office in 1934 he stated at a public banquet that everybody had heard of cases in which doctors announced that the operation was successful but the patient died. He prophesied that he as the doctor would perform an operation on the government of New York City in which the patient would survive but the doctor would die politically.

For a time it looked as though his prophecy would be correct, but about a year ago evidence cropped out here and there which indicated that the general public had been very favorably impressed with the manner in which he had conducted his administration. While there was considerable resentment in conservative circles over his policies in regard to labor problems and public utilities, there was widespread recognition that the city's credit had been restored, that the disgraceful conditions in many departments, particularly that of corrections, had been cleaned up, and that in practically every department under his control there was greatly increased efficiency and a better return to the city for the money expended. He was also justly given credit for appointing the able commission which had, in the words of its chairman, performed two impossible things: first, agreeing upon a city charter although its members represented widely differing points of view; and second, persuading the people to adopt it. Many people recognized that this most important contribution to good government in the city would be largely lost if the new city administration, to which would be en-

trusted the application of the new charter, was controlled by the old political machines. The Tammany-controlled transit commission also materially helped the mayor's cause by rejecting a reasonable plan for rapid transit unification. A sound solution of transit unification is the key to many of the most important problems facing the city.

By the nonpartisan manner in which he had made his appointments the mayor had alienated many of the Republican party leaders, and many people considered it extremely doubtful that he could win the Republican nomination. The Fusion party, which was largely responsible for his election in 1933, likewise seemed much weaker than it had been four years earlier.

On the other hand his labor policies had earned him strong endorsement in labor circles, and the newly organized American Labor party was eager to show its strength in supporting him. The Democratic organization in the city was far from as effective as it used to be. This is particularly true of Tammany Hall in Manhattan. That famous political organization was seriously feeling the effects of decreased immigration and the tremendous shift of population away from Manhattan into the other boroughs, and had suffered heavily from lack of patronage not only in the city but in the state and federal governments as well. Its leader was in very poor health and it was known that there were internal factional differences.

In the Bronx the rise of the American Labor party threatened the domination of the Democratic machine. In Queens there was another serious factional fight,

and in Brooklyn the Democratic organization was also suffering from the same underlying causes as in Manhattan, except loss of population. In all of the boroughs there was a marked change in the willingness of the voters to accept machine leadership. With a single exception the metropolitan newspapers were favorably disposed toward the LaGuardia administration, and the same was true of all the important civic organizations.

As the preliminary skirmishing began it soon became evident that the campaign would be an extraordinary one in many respects. Bitter resentment was shown toward the mayor in many Republican clubs, but the chairman of the Republican county committee in Manhattan, Kenneth F. Simpson, recognized clearly that in the long run it would be more to his party's advantage to support LaGuardia on his record of good government than it would be to turn the city back to the control of the Democratic organization, and that the municipal campaign was not the place in which national issues should be thrashed out as a preliminary to the campaigns of 1938 and 1940.

#### DEWEY ACCEPTS NOMINATION

The prevalence of racketeering, with all its various ramifications, had long been realized by business leaders in the city, but the district attorney's office in Manhattan was either unwilling or unable to cope with it. Pressure for positive action became so great that the governor of the state was finally forced to appoint Thomas E. Dewey as a special district attorney with wide powers and ample funds to attack this problem independently of the district attorney's office. Mr. Dewey developed a new and most effective technique for attacking racketeers, and met with phenomenal success when he brought a large number of them to trial.

Since a new district attorney was to

be elected in Manhattan, the question of candidates for that post was inextricably linked up with the mayoralty campaign. A movement soon gathered headway to draft Mr. Dewey as the Republican candidate for this office, which had been held continuously for twenty years by the Democrats, and which, in the minds of many political observers, was more important to Tammany Hall than even the mayoralty. Mr. Dewey was most reluctant to accept the nomination, and finally yielded to the pressure only on the very last day for filing nominations. His acceptance, however, at once brought powerful support to the LaGuardia ticket from conservative and Republican quarters.

Another new factor in the situation was the Progressive Committee organized by Maurice P. Davidson, who had been a leading figure in the Fusion campaign of 1933. This committee represented, generally speaking, the liberal and radical elements outside of the Labor, Socialist, and Communist parties.

The Democratic organization early felt the lack of able and unified leadership and the influence of the friction between the national Democratic organization and Tammany Hall. It was also apparent that they were hard put to find any outstanding person as their candidate for mayor. Overtures were made to United States Senator Robert F. Wagner, but he declined. The Democratic leaders of the Bronx, Brooklyn, Queens, and Richmond finally agreed upon Grover A. Whalen, former police commissioner and head of the World's Fair Corporation, while Tammany Hall announced as its candidate United States Senator Royal S. Copeland on an Anti-New Deal platform. Senator Copeland also sought the Republican nomination. A bitter primary battle immediately began which was further complicated by the sudden death of Mr. Dooling, the leader of Tammany Hall,



and then by the withdrawal of Mr. Whalen and the substitution of Judge Jeremiah T. Mahoney.

Mahoney won the Democratic nomination rather easily, and LaGuardia won the Republican. Former Comptroller Joseph D. McGoldrick and Newbold Morris were the latter's colleagues for the city-wide posts of comptroller and president of the council, and Comptroller Taylor and Max Schneider were Mahoney's running mates.

As soon as the primary was over the Democratic organizations, at least outwardly, patched up their differences, while LaGuardia was faced with the interesting but unenviable task of running as the candidate of the Republican, City Fusion, Progressive, and American Labor parties, and practically as the candidate of the Socialists and Communists as well. To keep these discordant groups working even in a semblance of team play was a most difficult task. That he succeeded at all is an interesting political phenomenon and a real tribute to his political skill.

#### MAYOR'S ELECTION CONCEDED

As the campaign developed it soon became apparent that the Democratic candidate was waging a very dull and stupid campaign, based largely upon criticism of LaGuardia's supposedly liberal or radical tendencies and attempts to raise the Communist issue and to discredit the real accomplishments of the mayor's administration. The Communist issue didn't take, and the mayor retorted very effectively to Mahoney's attempt to discredit his accomplishments by putting out a series of statements reciting the accomplishments of one department after another.

About a month before election it became evident that there was a strong undercurrent in favor of the mayor, and two weeks before election most political observers conceded his re-election. The only question was whether his strength

would be sufficiently great to carry with him his running mates on the city-wide ticket and the candidates for the five borough presidencies who, together with the mayor, comptroller, and president of the council, make up the board of estimate which is really the controlling body in the New York City government. The outcome was an extraordinary endorsement of LaGuardia and the policies he had followed in the city government. He carried every borough with a total plurality of 450,000. McGoldrick was elected comptroller over the present incumbent, Frank Taylor, a very strong candidate, by a plurality of 165,000, carrying the three biggest boroughs—Manhattan, Bronx, and Brooklyn—and losing in Queens and Richmond by a small margin. Morris was elected president of the council by a plurality of 231,000, losing only the borough of Queens by about 4,000. Dewey was elected district attorney in Manhattan by a plurality of 109,000.

Four of the five borough presidents supported by LaGuardia were also elected. In the Bronx the Democratic candidate was elected by a plurality of 35,000 over the American Labor candidate. This is generally attributed to the fact that the Republican party in the Bronx insisted on running its own candidate who received 60,000 votes, thereby making possible the Democratic victory.

The voters of New York City were faced by no mean task when they entered the voting booths on November 2nd, for they not only had to vote for mayor, comptroller, president of the council, district attorney, and borough presidents, but also for judges of the court of appeals, supreme court, city court and municipal court, members of the constitutional convention, the state assembly, sheriffs, registers, and surrogates in some counties, and also on five

constitutional amendments and one state referendum. These all appeared on the voting machine. A picture of the voting machine makes a powerful argument for the short ballot. In addition they were faced with the first use of the proportional representation system in electing the new city council.

#### USE OF P. R.

When, to the surprise of many of its ardent supporters, proportional representation was adopted in November 1936 for the election of the new city council by an even greater majority than the new city charter, its supporters were fully aware of the fact that they had a large sized task ahead of them to educate the electorate in its use.

It soon became apparent that a majority of the board of elections was hostile to the system and would do everything within its power to discredit it.

The Democratic organizations also realized what a serious threat it was to their domination of the city's legislative body. Early in 1937 they instigated two law suits challenging the constitutionality of the whole system. These cases were decided by the court of appeals on June 2nd in a majority opinion which upheld the constitutionality of the charter provisions. One unfortunate result of the delay was that the manufacturers of the P.R. voting machine stated it would be impossible for them to turn out enough machines to equip even a single borough for the election in November. This meant that paper ballots would have to be used on a larger scale than ever before under proportional representation, and that the campaign of education would have to be even more intensive and on a larger scale if the application of proportional representation was to be successful.

During the winter the civic organizations, which had coöperated so effectively in bringing about the adoption of P.R., started the work of training speak-

ers to demonstrate and explain the new system. The political organizations were doing likewise through their political clubs. Efforts were also started to secure the nomination of some outstanding citizens in each borough. This was necessary because each of the five boroughs constituted a separate election district.

These efforts were, however, greatly handicapped by the delay in handing down the decision of the court of appeals, and it was well into the summer before much effective work could be done in this direction.

In March the Merchants' Association published a nineteen-page pamphlet entitled "Proportional Representation for New York City," which was intended primarily for the use of people giving demonstrations of the system or explanations to groups of voters.

#### COUNCIL CAMPAIGN

Classes for training speakers were started in the Men's City Club with attendance ranging from thirty to seventy-five. These classes were at first held monthly, then every two weeks, and, beginning about the first of August, weekly until about the middle of October.

In July the Proportional Representation Joint Committee was formed by about a dozen civic organizations to carry on an impersonal, nonpartisan campaign to inform the voters about P.R. This committee raised about \$2,200, and expended the larger part of it in printing and circulating 650,000 copies of a little leaflet explaining in very simple terms the voter's part in the P.R. system. It also offered to supply speakers who could explain and demonstrate the system to any organization which would ask for one. Something over 315 such meetings were held between July 1st and the election.

The League of Women Voters distributed about 100,000 copies of a very

effective broadside, conducted a number of other demonstrations, and manned booths in several department stores for about a week previous to the election, at which leaflets were distributed to the voters. The regular Democratic organizations also gave thorough and effective instruction to their members.

The newspapers gave much space to articles explaining how to use the system, and several of them printed sample ballots for the various boroughs.

When the time for nominations closed on October 5th, it was found that there were ninety-nine candidates in Brooklyn, forty-seven in Manhattan, forty-five in Queens, thirty-two in the Bronx, and seven in Richmond.

Many of these candidates were independents who thought that the new system offered an open sesame for any ambitious young person to break into public life. Most of them had no real organization support. On the other hand the regular Democratic organization nominated seven candidates in Manhattan, nine in Brooklyn, four in the Bronx, five in Queens, and one in Richmond.

A Citizens' Nonpartisan Committee, headed by Judge Samuel Seabury and containing representatives of the Republican, City Fusion, American Labor, and Progressive parties and some independent Democrats, nominated or endorsed fourteen candidates in Manhattan, ten in Brooklyn, four in the Bronx, three in Queens and one in Richmond. There were also several in each borough nominated by the Republicans, the American Labor party, and the City Fusion party.

Shortly after the time for nominations closed it became apparent that the candidates endorsed by the Seabury committee were conducting independent campaigns and that some coördinated effort would be necessary if the anti-Democratic voters were to obtain their fair share of places. The candidates of

the Seabury committee thereupon agreed to conduct a unified campaign in each borough. Headquarters were opened in Manhattan about three weeks before election, and George Brokaw Compton, who had so successfully conducted the charter campaign in 1936, accepted the difficult task of managing this joint effort.

In addition to such radio time and newspaper publicity as it was possible to obtain in competition with the mayoralty and the general city campaign, the Seabury committee printed ballot-guides containing the names of the candidates in each borough together with brief instructions to the voters on how to use the P.R. system. The chief problem here was how to get the guides into the hands of the voters. Neither the time nor the funds were available to send them by mail. It was finally decided to distribute them at the exits to the subway and elevated stations in the residential sections of the city on Thursday and Friday evenings preceding election from five to seven o'clock. This task was accomplished with the assistance of about 1,000 distributors, largely volunteers recruited by the various candidates and students from some of the colleges. The distribution was remarkably successful. Approximately 1,300,000 of the ballot-guides were distributed on these two days at the rapid transit station exits, and an additional 200,000 were distributed by the candidates themselves and the various parties at meetings and through house-to-house canvassing.

In the meantime the board of elections had been considering plans for the counting of the ballots. The election law required that the clerks who were to do the counting be recruited in equal numbers from the Democratic and Republican parties. The city charter provided that they must pass a qualifying examination given by the municipal



civil service commission. During the summer the board of elections challenged the validity of this provision and claimed that the state election law gave it the right to hold the examination. The matter was finally decided by the court of appeals, only on October 19th, in favor of the municipal civil service commission. The result was a noteworthy and highly necessary improvement in the calibre of those taking the examination.

#### PREPARATIONS FOR ELECTION

Although the board of elections knew on June 2nd that it would have to conduct the council election by the P.R. method, it did not work out definite detailed plans for the count during the summer, although it studied the practice followed in Cincinnati and Dr. Hallett, the recognized authority on the subject, had several conferences with its members. About a month before the election he had another conference with the board and submitted to it a detailed plan based upon his experience in Winnipeg, Cleveland, Cincinnati, and Hamilton. In the meantime the board had appointed a Republican and a Democratic director for the count in each borough. These men, as a whole, understood their task and did it well, although some of them were not in favor of the system.

About a week before the election the board requested the ten directors of the count and their consultants to formulate a detailed plan. This was finally done at an all-day meeting on October 28th. The result was that the consultants recommended substantially the plan suggested by Dr. Hallett. The following Monday—the day before the election—the board of elections finally approved the recommendation of their directors over the vigorous opposition of Chairman Cohen who held out for an earlier, more complicated plan. The board of elections had also decided several weeks before election to pay the

clerks ten dollars per day for the duration of the count, had fixed the working day at seven hours, exclusive of Sundays and holidays, and had hired an armory in each borough to conduct the count.

Naturally, when the detailed plan was agreed upon only the day before election, it was impossible to make all of the arrangements and to secure all of the equipment needed in time to start the count at 9 o'clock the day after the election. Several hours were spent the first day in assigning the clerks to their duties and instructing them in the methods to be used. It soon became evident that many of the clerks intended to work as slowly as they could in order to prolong the job. This had been anticipated, however, and the city administration and the civic organizations, as well as the press, very soon made known their resentment to these tactics. After a number of clerks had been discharged for tardiness or too obvious stalling this aspect of the situation improved. It was found possible also to change the methods of counting in various ways so as to expedite the process, and on the ninth day of the count the working hours were increased from seven to eight.

Shortly after the count started, evidence of concerted tampering with some ballots was found in the Bronx. This led promptly to the appointment of special representatives of the attorney general in the Bronx and Manhattan, and was held by some as evidence that the P.R. system was at fault. On the contrary it would seem to be to the credit of the P.R. method that the fraud immediately became apparent. No evidence was found of concerted tampering with ballots in any of the other four armories. Less than five hundred ballots were involved in the Bronx.

Fair comparisons of the New York count with those made in other cities are difficult to make because of certain

requirements of the New York State election law and of the New York City charter. The charter requires that the election districts be counted in a definite order, and that the number of first-choice votes cast for each candidate be ascertained. As a running check and as a matter of interest it was ascertained by election districts. These provisions necessarily retarded the counting process.

The results of the election amply justify the claims made for proportional representation by its conservative and well informed advocates. Instead of proving such a mystery to the voters that many of them would refuse to vote at all, that more than half of the ballots cast would be invalid, and the number elected would be around fifteen, as the critics of the system claimed, more ballots were cast for the council than there were votes for mayor. Of the council ballots cast 3.2 per cent were blank, 9.1 per cent were invalid for various reasons, and 87.6 per cent were valid. Twenty-six councilmen were elected, and the division between parties gives representation to minority groups roughly in proportion to strength. The membership will consist of thirteen organization Democrats, two independent Democrats, five members of the American Labor party, three Fusionists, and three Republicans, or a thirteen to thirteen division. Of the ballots cast 80.2 per cent actually helped to elect someone. This is in sharp contrast to the results in the last aldermanic election in 1935, when 5 per cent of the voters on the ordinary voting machine were unrecorded, and only 63.5 per cent actually helped to elect someone. In 1935 the Democratic party, with 66 per cent of the vote, got sixty-two out of sixty-five places, and the Republicans got the other three.

The use of the fixed quota of 75,000

votes resulted in fair apportionment of the seats among the five boroughs of the city in place of the grossly unfair apportionment in the board of aldermen. Eight members of the council reached the full quota of 75,000, and two others were within 2,000 of that number.

It was evident, as the count reached the final stages in each borough, that the Democratic organization had been much more successful in persuading its supporters to indicate a number of choices than had the opposition. The result was that the Democrats won two or three more places than their proportion of first choices would have entitled them to receive because of the large number of exhausted ballots cast by members of the opposition.

The count was finished in Richmond on November 15th, in Manhattan on November 23rd, in Queens on November 26th, in Brooklyn on November 27th, and in the Bronx, where no counting was done for several days because of a judicial investigation of ballot tampering, it was finished on November 30th.

It seems to be the consensus of opinion that the new council will have the best personnel of any city legislative body since the greater city was formed forty years ago. The experience with paper ballots this year will probably lead to the purchase of voting machines before the next election. There will undoubtedly be an attempt to repeal the P.R. provisions of the charter, but whether this will come before the next P.R. election is held will not be known for some time. The success of such an attempt will largely depend upon the manner in which the new council performs its duties.

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EDITOR'S NOTE.—See also the analysis of New York's recent P. R. elections on page 52 of this issue.

## NOTES AND EVENTS

*Edited by H. M. Olmsted*

**City of Knoxville Favors City Manager Government.**—The voters of Knoxville, in the city primary held November 13th, elected as their mayor a candidate pledged to abolish the mayor form of government. This was the first election held by the city of Knoxville under its recently enacted charter amendment abolishing city manager government and substituting therefor the mayor form of government.

Knoxville has operated under manager government since 1923, at which time the charter amendment providing for this form of government was adopted by a vote of the people. In the 1937 regular session of the Tennessee legislature, a bill was introduced abolishing the city manager form of government for Knoxville and vesting all the duties, powers, functions, and privileges previously exercised by the city manager in the mayor. According to the terms of this bill the mayor was to be elected by popular vote for a term of two years and was to be independent of any supervision or control by the council. This bill was enacted into law despite the presentation to the legislature of a petition signed by about four thousand residents of the city of Knoxville requesting that the measure be defeated or referred to the voters before becoming effective.

Immediately after the passage of the measure, a movement was started in Knoxville to secure the nomination and election of a candidate who would work for the restoration of city manager government. Walter W. Mynatt, former city manager, was selected as the candidate of this group. The group that sponsored the legislation abolishing city manager government chose as its candidate, George R. Dempster, the present city manager. Three other candidates were in the field for the office of mayor, but they received only a small percentage of the total votes cast. Mr.

Mynatt received approximately 55 per cent of all the votes cast as contrasted with about 40 per cent cast for Mr. Dempster. Since Mr. Mynatt received a majority of all the votes, a run-off election for the office of mayor is not necessary.

Although other issues were involved in the mayoralty election, none were as clear-cut as that on the form of government. Consequently, the selection of Mr. Mynatt as mayor indicates that a majority of the voters of Knoxville favors a return to manager government.

Mr. Mynatt pledged in his campaign that he would seek repeal of the act abolishing the city manager form of government at the next regular session of the legislature. Recent developments indicate, however, that some action may be taken before that time. It has been suggested that the foes of Mr. Mynatt contemplate asking the present legislature to repeal the measure at a special session now called or at another special session to be called at a later date. The repeal of the measure would leave the selection of a city manager to the newly elected city council, thus making it possible for some one other than Mr. Mynatt to be chosen to direct the city's affairs. Request for the repeal of the act at this early date, however, may be expected only if the foes of Mr. Mynatt feel that a majority of the newly elected council is sympathetic to their candidate.

M. H. SATTERFIELD

Tennessee Valley Authority

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**Council-Manager Charter Election Being Investigated.**—In the city of Yonkers, New York, where a proposed council-manager charter was defeated by a somewhat narrow margin at the November 2nd election, a grand jury has been assigned the task of holding hearings on charges of fraud. The City Manager League has alleged various irregularities, including the tampering with certain voting machines so that "yes" votes were counted as "no," and vice versa. The 127 voting machines in the city have been impounded.



**Other Manager Developments.**—Citizens of Des Moines are now expecting to have an opportunity to vote on the manager plan within the next few months. More than the ten thousand signatures necessary to call a special election were filed on December 17th. The Des Moines Bureau of Municipal Research is actively lending its efforts to the movement; J. C. Ferguson has been made manager of the campaign.

Movements to secure manager charters are also reported in Dalton, Douglas, and Elberton, Georgia. In a tax report of Minnesota, recently submitted to the governor of the state, one of the major recommendations was that Duluth and St. Paul should seriously consider the adoption of the manager plan.

Rochester, Minnesota, is drafting a manager charter to be completed this month. No date has been set for an election. Grand Forks, Nebraska, is circulating petitions for a vote on the manager plan. Little Rock, Arkansas, has a strong manager campaign under way.

Norfolk, Nebraska, which voted December 14th on the manager plan, defeated the proposal by twenty-four votes. Beloit, Wisconsin, will vote on April 5th on a proposal to abandon the plan.

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**Training of Municipal Employees under George-Deen Act.**—Under the expanded program by which the United States government has allotted \$6,000,000 of the \$14,000,000 appropriated for vocational education under the George-Deen act, numerous grants are being taken advantage of by states and localities to train public employees "on the job."

The American Municipal Association, emphasizing the greater flexibility in financing public service training under the new program, is urging its member leagues to assist their cities in drafting training plans eligible for these funds for the second half of the fiscal year; and it has also announced a study project to trace the progress of such programs in the nation's municipalities.

Appropriations paid out recently went to all but two states, and Alaska and the District of Columbia. To be matched 50-50 by states and localities, they ranged from \$12,000 to \$450,000 for the six-month period ending December 31, 1937. Part of this sum goes to aid financing of the long-established agricultural, domestic, and trade industrial train-

ing under the Smith-Hughes act, and part towards the new training of public service employees made possible a year ago by Congressional action.

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**Central Purchasing Unit to Aid Local Governments in Pennsylvania.**—Under laws passed and made effective in 1937, cities, counties, boroughs and townships in Pennsylvania may turn to the newly established State Department of Property and Supplies for prices and other information about the commodities which they need. The new state purchasing department hopes to be able to negotiate contracts with the vendors supplying the state which will permit municipalities to secure commodities at the same prices paid by the state.

Municipalities in Pennsylvania have also just secured legislative authorization to establish joint purchasing agencies in order that the governmental units within a single county can pool their purchasing power and thereby secure the price and other advantages which can be obtained by large quantity buying.

Coöperative municipal purchasing has been making definite progress in other jurisdictions. Leagues of municipalities in nearly a dozen states, according to the Governmental Research Association, are effecting savings for member cities by purchasing commodities in quantity lots. The Michigan Municipal League, first of these to do so, now purchases various items for more than a hundred municipalities. Centralized purchasing, in one form or another, is practiced in approximately 230 cities and 36 state governments.

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**More State Legislative Councils.**—Illinois, like five other states, has followed Kansas and Wisconsin, first to adopt the legislative council idea, in appointing a group of legislators to examine proposed new laws during the interim between legislative sessions, and to make recommendations. Two others of these states—Connecticut and Nebraska—made the provision this year, according to the Council of State Governments.

The Kansas Legislative Council is viewed as one of the most active and successful of the agencies so far established. With a membership of fifteen representatives and ten senators, plus the presiding officers of each house, it meets four times a year between legislative

sessions. Its chief undertaking is to collect information and prepare a legislative program for consideration by the next legislature. It is also directed to investigate possibilities for consolidation in state administrative agencies; to study opportunity for local government reform, and to coöperate with the administration to improve administrative law and methods. Fifteen of the twenty members of the new Illinois council recently visited Topeka to observe the work of the Kansas council.

Kentucky, Michigan, and Virginia are other states with legislative councils. Colorado has a Committee on Interim Committees which is somewhat similar to a legislative council.

In New York, State Senator Thomas C. Desmond is advocating a permanent legislative council.

**Wisconsin State Reorganization.**—The state government reorganization authorized by a recent special session of the Wisconsin legislature is getting under way. The reorganization act provides for increasing the power and responsibility of the governor, and also:

Establishes a new Department of Commerce, to promote business, attract new industry, and study ways of expanding markets.

Sets up a State Board of Agriculture and Markets, to replace the three-man commission which directed the former Department of Agriculture and Markets. Establishes the Wisconsin Agricultural Authority, a quasi-public, non-profit corporation, to aid the farmer by promoting high standards of quality, widening markets, improving shipping and merchandising methods and studying state farming conditions.

Replaces the Board of Control which managed the state's correctional institutions with two new departments: Corrections and Mental Hygiene.

Creates an interim committee of three senators, three assemblymen and a group of state officials to work with the governor in further reorganizing the administrative set-up. With the consent of the committee the governor is empowered to shift functions, divisions, boards and bureaus as seems most desirable. Changes become permanent unless rejected by either house of the legislature within ten days of the next regular session's opening.

Abolishes the former executive council and

creates a new one, consisting of three senators, three assemblymen, and directors and secretaries of major state departments.

**Illinois Commission Studies Election Law Revision.**—The new commission on election laws in the state of Illinois early in December adopted the following eight-point program for its guidance during the year, as reported in the *Chicago Daily News*:

1. Codification of the laws without change in substance, except where "necessary and proper."

2. A survey of the optional election laws of cities and townships.

3. A study of the regulations for local referendums, to achieve uniform plans for votes on bond issues, school measures, and local option.

4. Recommendations to provide uniform administration, to reduce expenditures, simplify the voting process, avoid the danger of errors, and "promote honest elections."

5. A study of methods of registration, preparation of ballots, voting machines, absentee voting and absentee registration.

6. The solicitation of suggestions from lawyers, judges and others with a special knowledge of and interest in election proceedings.

7. A series of public hearings on proposed changes and revisions, with hearings in each of the Supreme Court judicial districts.

8. The assembling and analysis of all available materials, including the reports of former state and local commissions, and the recommendations of authorities.

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**National Committee on Standards of Personnel Administration.**—The Civil Service Assembly of the United States and Canada has appointed a national committee, the first

of its kind in the personnel field, to establish professional standards for those engaged in public personnel administration. It is composed of Dr. Charles P. Messick, chief examiner and secretary of the New Jersey State Civil Service Commission and chairman of the New Jersey State Planning Commission, *chairman*; Dr. Clarence A. Dykstra, president of the University of Wisconsin, and former city manager of Cincinnati; and Dr. Leonard D. White, professor of public administration at the University of Chicago, and former

member of the U. S. Civil Service Commission. The committee will establish appropriate standards for three grades of professional competence in public personnel administration: junior, associate, and fellow.

To aid those wishing to qualify for certificates in these grades, the committee will outline experience and training requirements, prepare a study guide, and write a code of ethics for those engaged in public personnel administration.

### COUNTY AND TOWNSHIP GOVERNMENT

*Edited by Paul W. Wager*

**North Carolina Sheriffs Shorn of Tax Collecting Duties.**—During the last two decades one county after another in North Carolina has taken the work of collecting taxes away from the sheriff and given it to a tax collector appointed specifically for that task. Today fully a third of the one hundred counties, including most of the more populous ones, have taken this step. This is a significant departure, for the sheriff in North Carolina has collected taxes as one of his duties since the office was created in 1738.

It is a long needed reform, however, for since colonial times the sheriff has been a conspicuous failure as tax collector. Better collections have generally been noted in the counties in which the collectors have been appointed. Moreover, after being relieved of collecting taxes sheriffs have given more serious attention to their law enforcement and civil process duties with the result that the quality of service in these fields has shown surprising improvement.

**North Carolina Bar Seeks to Reform Justice-of-the-Peace Court.**—Among the tasks which the North Carolina Bar Association has assigned itself is that of cleaning up the justice-of-the-peace racket. Once a position of influence and dignity, the office has fallen in esteem until today it is almost an object of derision. While there are of course many competent and high-minded men serving as magistrates, the intellectual and ethical standards of the group as a whole are deplorably low. Part of the explanation is to be found in the large number who hold the office. Jus-

tices of the peace in this state are chosen in three ways: by appointment of the governor, by appointment of the legislature, and by popular election in a township. There are as a result of these three ways of entering the squirarchy, literally thousands of members thereof—five thousand as a minimum. The basis of compensation is another element in the explanation. The president of the State Bar Association says: "We all know J. P.'s who have formed partnerships with constables and have made a 'racket' out of the enforcement of the criminal law. . . . We all know J. P.'s who have converted appearance bonds to their own use and pocketed fines; who issue warrants for offenses over which they have no jurisdiction and collect costs thereon; who bulldoze and intimidate humble defendants; who render judgments by default without notice; who always give judgment for their regular customers; who sound out the views of other magistrates before removing cases to them; who have partnerships in removal cases; who regularly decide cases from personalities, prejudices or favoritism, rather than in accordance with the evidence; who are lacking in upright character. . . . In spite of this fantastic system, there is a small but courageous minority of magistrates who still manage to carry on their duties with nobility and self-respect which lift them above the multitude. It is not fair to them that they have to compete for business in such a system."

May the bar association succeed in purging the magistracy and elevate it to the position of eminence it originally occupied.

### TAXATION AND FINANCE

*Edited by Wade S. Smith*

**Current Trends in Local Finance.**—As the so-called average taxpayer, or the reader of Miss Mohaupt's "Comparative Tax Rates for 1937" in last month's NATIONAL MUNICIPAL REVIEW, is aware, local property taxes are on the upgrade. The increase of 1937 levies over those of 1936 was general, and since further increases for the coming year are prospective, this department will consider as the year begins some of the factors underlying the trend.

Probably basic to the upward trend of



costs—the increase of ad valorem taxes is of course accompanied by a tendency to higher non-tax supported costs as well—is the one fact of recovery. The depression-borne stringency of municipal operations is now relaxing. Drastically curtailed operating budgets are seeking their normal level. Services and projects pruned out of budgets during 1932-35 have been reappearing. Salary reductions are being followed by restorations to former rates of pay, replacements of personnel and equipment held in abeyance for several years are now being made. Cities and counties, in other words, are working off their recent “economy basis” of operations.

Abandonment of “economy” in favor of “normalcy” means more than the restoration of operations on their former scale in many local units, however. All too frequently drastic budget and tax reductions were accomplished at the cost of a complete cessation of ordinary repair and maintenance programs. Cities ranging from hamlets to those in the highest population brackets let their physical plants get into disrepair. Streets went unpaved, buildings unpainted, machinery unrepaired until it almost literally fell apart. And now, to the extent that such “economy” curtailments have destroyed necessary equipment and properties, expensive belated repair or actual replacement is raising budgetary costs. Budgets for 1937 have in many instances reflected this type of item. Further increases are prospective for 1938, and will be required for some years to come if a few cities succumb to the easy lure of bonding this type of cost.

Getting off the emergency basis has meant, and means for 1938 budgets, a catching up on current activities which have been allowed to lapse to a greater or less extent. It means also the resumption of capital expenditures. Many cities have already begun to take up their capital programs at or near the places where they left off when the full force of the depression hit. In probably a majority of the cities and counties federal grants have been used to offset costs of at least part of the contemplated capital improvements. But in general, the beginning of 1938 finds the greater number of local units with long lists of improvements, many of them urgently needed and all desired by some portion of the local citizenry. While these costs will be

met almost universally by borrowing, and will in all too many cases be spread over twenty or thirty or more years, the debts must be repaid and debt service on new bonds will augment the other budgetary increases.

Debt service increases arising from new capital borrowing and increases in current operating costs as normalcy is resumed do not tell the whole story of mounting local budgets, however. Certain new charges are now becoming evident, some of them appearing for the first time in 1938 outlays. The federal social security program takes its toll in local contributions beginning this year, with county funds for old age and child welfare costs increased to match state and federal contributions on the expanded basis. While such increases are not universal, because not all the states have enacted legislation providing for participation in the federal program, enough have done so to make this item one of general importance in any study of local governmental cost trends.

In addition to welfare items represented by old age and child assistance, ordinary “emergency relief” costs are now striking at local budgets with full force for the first time. In perhaps the majority of local units the local share of relief costs when more than nominal because of exceptional local circumstances has been met wholly or in large part by borrowing. Some of this borrowing has been for a short term; some, unfortunately for the taxpayers, has been for extended periods of ten or even twenty years or more. The pyramided borrowing is now becoming a sizeable portion of increased debt service costs where relief bonding has been chronic. And even where relief costs have been carried largely from current funds, 1937 and 1938 have seen a growing realization that sizable outlays for relief will continue for some time, that outside aid is dwindling, that such costs had best be met entirely from current revenues, and that, specifically, little decrease in 1938 outlays is prospective in the light of the recent recessive trend of general business and industrial conditions. All of this means that the “emergency” in relief costs has been dropped, and actual welfare expenditures are off on a course which is probably upward so far as local contributions are concerned.

Such are some of the more important fac-

tors which are currently raising the level of local expenditures. There is nothing about them *per se* which makes the concomitant budget increases evidences of waste and extravagance. Even the most efficiently administered unit is vulnerable to such items as rising welfare contributions and resumption of delayed capital improvement programs. But where inefficiency and politics are rife in local administration, these swelling budgetary items hold reason for real concern on the part of thoughtful and sensitive taxpayers.

Obviously, with our local governments about to return to the pre-depression scale of operations, the need for the most ordinary safeguards and controls of public funds becomes doubly necessary. Depression-hit taxpayers were naturally quick to feel the sting of taxes when their own incomes were dwindling. Many of the organizations which were created under such impetus have already achieved remedial changes, either through corrective legislation or through the displacement of ineffectual administrations with those more in harmony with the ideas of economy prevalent in recent years. But taxpayers no longer feel as sharp an urge as formerly to examine local budgets, and—unless the current business recession proves less transitory and more serious than some observers appear to consider likely—their interest in attending council meetings and lobbying for corrective legislation in state capitals will continue to wane as recovery resumes during the coming year. If apathy toward local costs develops, it will be nothing less than tragic. Increased costs should mean all the more reason for the extension of the merit system, adequate budgetary control and accounting systems, and carefully conceived and honestly executed long-range capital planning.

The REVIEW and its parent, the National Municipal League, have found taxpayers as well as theorists extremely receptive during the past five years to all the well known aids to "economy and efficiency" which the organization has had a hand in developing. It is to be hoped that the advent of better times—which seem likely to become more pronounced during the coming year—will find local bodies more instead of less vigilant and active to put the finances of their communities on an enduring sound basis.

This is particularly true since waste arising

from loosely administered budgets based on expanded operations is not the only possible evil. Local government no longer presents the picture of confusion prevalent when the first municipal bankruptcy act was passed and municipal credit stood as near zero as it had been for a century. It does present, however, a picture in which vast territories of morass and quicksand still exist, in which numerous units have yet to begin even the most elemental of the steps toward financial solvency, and in which efficiency in administration often remains something talked about in political campaigns by local "plunder-bunders" who have learned a new vocabulary but have not changed their practices.

In point of fact, there are very few cities which are not vulnerable to some extent to the remnants of fiscal chaos of recent memory. The local tax system remains upon its shaky basis, with the willing wheel horse of the ad valorem property tax the chief reliance in all but a few situations where freakish circumstances make other revenues abundantly available. While ad valorem tax collections held up surprisingly well during the depression, all things considered, and while they have shown amazing resilience in returning by the end of 1936 to a level approximating that of predepression days, many cities will show a less favorable trend when the 1937 data is at hand. Not only are current 1937 collections slipping in numerous instances, but the backlog of delinquent taxes, which worked miracles in many 1935 budgets and balanced operations the following year for numerous other cities for the first time since 1932, is becoming diminished. Often it represents at present an asset which is going to be realized slowly and with difficulty, and occasionally an asset which even local budget-makers are prone to omit from their reckonings. The meaning here, which 1938 tax bills will impart to numerous taxpayers for the first time as a brand new idea, is that current taxes must be raised to offset the dwindling delinquent collections.

A few states have taken advantage of the recent years' stress to strengthen their tax systems. In many more, however, nothing has yet been done to correct the definitely damaging record of remitted penalties, postponed tax sales, and compromised taxes. Tax exemption of homesteads looms on the horizon

as a new fad which, in conjunction with overall tax rate limits, may wreck new havoc in the communities of the states where it is tried.

Finally, the need for new capital improvements opens up the way for a repetition of the berserk bonding of the 1920's. Certain basic principles—among them that the life of the bonds should not exceed the life of the improvement—are already being violated by cities and counties which have come into the market during the last year with offerings of new capital bonds. It will be only a short time until the catastrophic effects of special assessment financing are forgotten and this easy method of evading debt limits is again in favor with numerous cities. This will be particularly true if the federal government's recently announced plans for a building boom materialize and new subdivisions are allowed to develop along unorderedly lines and with little attention to the realities of repayment of the attendant public and private debt. Our friends, the organized realtors, who have straight-jacketed a large number of communities in the effort to avoid costs for items which were held out to prospective buyers in the 1920's as enhancing property values, will in all probability repeat their programs of whooping it up for bigger and better improvements, all of which will mean dangerously inflated public charges just about the time the next cyclic economic burst occurs. Sound capital planning is not only advisable from the taxpayers' viewpoint, it is one of the most important needs during the coming period of rising local costs.

These, then, are some of the current trends in local finances which appear to this department to stand out because of their potentialities. Readers of this department, or of any other publication which during the past year has contained matter in abundance citing the increasingly favorable trend of local finances, will need to temper this oft-times rosy picture of the current scene with just one thought: the favorable trend of yesterday materializes into what is an easy situation today and may, unless vigilance and intelligence is exercised, turn into tomorrow's unfavorable status. The fact that the current situation is in general basically sound is encouraging. But it can be so maintained only at the cost of such colorless but vital means

as equitable assessment technique, sound budget and control procedure, conscientiously administered merit and purchasing systems, competent long-term planning, and administration based on intelligence rather than on political patronage.

### PROPORTIONAL REPRESENTATION

*Edited by George H. Hallett, Jr.*

**New York's First Use of P. R.—A Study in Contrast.**—On November 2nd New York City elected members to three legislative bodies—the new city council which replaces the three-hundred-year-old board of aldermen but with increased powers, the state assembly, and the state constitutional convention which meets in April. In electing these members it used three different methods of election.

In electing the new council the city used proportional representation for the first time, from borough-wide districts, with the following results:

#### COUNCILMEN ELECTED

	BRONX	BROOKLYN	MANHATTAN	QUEENS	RICHMOND	TOTAL
Organization						
Democrats	3	5	3	1	1	13
Insurgent						
Democrats <sup>1</sup>	0	0	0	2	0	2
American Labor	2	2	1	0	0	5
Republican	0	1	1	1	0	3
City Fusion	0	1	1	1 <sup>2</sup>	0	3
Total	5	9	6	5	1	26

Newbold Morris, elected as president of the council by city-wide vote on the Republican,

<sup>1</sup>The Roe Democratic faction in the borough of Queens ran three candidates, who were not supported by the regular Democratic organization. Two of them, including former Assemblyman and Alderman James A. Burke who led the ballot in Queens, had no designations after their names on the ballot. The third (one of those elected) was allowed to use the word Democrat. The City Fusion candidates elected in Brooklyn and Manhattan are Democrats in national politics.

<sup>2</sup>Charles Belous, elected with City Fusion designation, is a member of the American Labor party and has announced his intention of coöperating with the Labor group in the council.



American Labor, City Fusion, and Progressive tickets, has a casting vote in case of a tie.

This even balance of opposing forces is, from any reasonable point of view, refreshing in contrast to the top-heavy Tammany majorities in all recent sessions of the board of aldermen. Never since 1913 have the regular Democratic organizations in the five boroughs failed to elect a substantial majority of the aldermen regardless of what happened in the election of a mayor. In the last board of aldermen they had sixty-two members out of sixty-five.

Because Mayor LaGuardia's great Fusion victory this fall carried in with him all but one of the members of the board of estimate—the mayor, comptroller, president of the council, and the borough presidents of Brooklyn, Manhattan, Queens, and Richmond—it might seem at first glance that this time, if the old system of election had been kept, Fusion would have swept the council also. That this impression is entirely unjustified is shown by what actually happened to most of the many offices except the major ones just named. The Democrats carried all the county offices except that of district attorney for New York County, most of the judicial offices, and an overwhelming majority of the city's assemblymen and delegates to the state constitutional convention.

The election of assemblymen shows most clearly what would probably have happened under the old system, for the city's assembly delegation is elected by partisan plurality vote from sixty-two single-member districts most of which coincide with the old aldermanic districts. In this election the results were as follows:

#### ASSEMBLYMEN ELECTED<sup>3</sup>

	BRONX	BROOKLYN	MANHATTAN	QUEENS	RICHMOND	TOTAL
Democratic	6	19	17	6	2	50
Republican	0	1	5	0	0	6
American Labor	2	3	1	0	0	6
Total	8	23	23	6	2	62

That the even division resulting from P. R.

<sup>3</sup>Where two or more parties combined on the same candidate, his election is credited in this and the following tables to the party which gave him most votes. The Republican and Labor parties combined in several districts, the Democrats and Labor in one, and in several the City Fusion Party supplied essential blocks of votes to Republicans and Labor.

in the council would have come much nearer giving the voters what they wanted in the assembly also is shown by the following figures:

#### ASSEMBLY VOTES

PARTY	VOTES	PERCENTAGE OF VOTES	PERCENTAGE OF MEMBERS
Democratic	962,013	49.6	80.6
Republican	520,099	26.8	9.7
American Labor	338,078	17.4	9.7
City Fusion	90,866	4.7	0
Socialist	25,077	1.3	0
Progressive	1,655	.1	0
Total	1,938,088	100	100

Under the old district plurality plan less than half the voters thus elected four-fifths of the city's assemblymen.

The delegates to the constitutional convention were elected in blocks of three from the state senatorial districts. There were also fifteen elected by block vote from the state at large. In the plurality elections of district delegates from New York City the Democrats made a clean sweep in eighteen districts out of twenty-three and elected two out of three in each of three other districts. The results were as follows:

#### CONSTITUTIONAL CONVENTION DELEGATES ELECTED

BOROUGH	DEMOCRATS	REPUBLICANS	AMERICAN LABOR	TOTALS
Bronx	8	0	1	9
Brooklyn	22	1	1	24
Manhattan	21	6	0	27
Queens	6	0	0	6
Richmond <sup>4</sup>	3	0	0	3
Total	60	7	2	69

The number of districts carried by the Democrats indicates what might have happened in the council election if the new charter had been carried without P. R. The charter provided that if P. R. were rejected in the separate referendum on that question the councilmen should be elected one each from the senatorial districts, with three additional

<sup>4</sup>Richmond (Staten Island) is combined with Rockland County, northwest of the city, in one Senatorial district. The Democratic majority in Richmond overcame a Republican majority in Rockland.

members at large from each of the boroughs of Brooklyn, Queens, and the Bronx, to correct partially their present underrepresentation in the state senate.

#### *Automatic Reapportionment*

How seriously these boroughs are under-represented in both houses of the legislature may be seen by comparing their representation in the tables above for the constitutional convention (senate districts) and the assembly with their automatically fair representation in the new council. The P. R. provisions give each borough as many councilmen as it polls multiples of 75,000 valid votes (with an additional councilman for a remainder of 50,000 or more). As a result Queens elected five councilmen to Manhattan's six whereas it formerly had six aldermen to Manhattan's twenty-four.

The same plan of P. R. in large districts with a uniform quota will be urged on the constitutional convention as the easiest and fairest way of solving the knotty problem of reapportionment for the state. The successful use of P. R. in Brooklyn and Manhattan shows that P. R. is thoroughly practicable for any district that would be required for that purpose.

#### *A Heavy Vote*

Opponents of the P. R. plan had freely predicted it would prove so confusing that a large part of the electorate would be disfranchised. To meet this danger an extensive campaign of education was carried on by the newspapers and civic groups, and when election day came the voters took the new system in their stride. There was no delay or disorder at the polls, and actually more people took the P. R. paper ballots into the separate booths and dropped them in the ballot boxes than voted for mayor on the voting machines.<sup>5</sup>

About 3.2 per cent of these ballots—73,558 to be exact—were found to be blank, but in the Bronx, Queens, and Richmond more people actually marked their P. R. ballots than voted for mayor and in every borough more people did so than voted for comptroller or borough president.

This phenomenal display of interest more than cancelled the number of invalid ballots, which—naturally enough under the circumstances—ran higher than in most P. R. communities. The invalid ballots varied from 10.6 per cent of those marked in Manhattan to 8.7 per cent in Queens and 5.3 per cent in Richmond where only one was to be elected, the number for the entire city being 210,557, or 9.5 per cent.

This left the total valid vote for the council at 2,013,101, more than 100,000 above the highest vote ever cast for the board of aldermen. It also exceeded the total valid vote for the state assembly in every borough. In the Bronx it exceeded the total valid vote for borough president and in Queens it fell short of the borough president total by only thirty-three votes.

#### *Half a Million More Votes Effective*

Of the ballots that were valid so many more were effective in actually electing someone under P. R. than under the old systems that 600,000 more New York City voters are represented in the new council than in the new state assembly and nearly half a million more than were ever represented in the board of aldermen. Here are the figures, votes which counted for successful candidates being termed "effective" and those which counted only for losers being termed "wasted" (though in the P. R. election numbers of the "wasted" ballots were marked for successful candidates elected by others):

#### EFFECTIVE AND WASTED VOTES

	EFFECTIVE	WASTED	TOTAL VALID
P. R. Council, 1937	1,615,036 (80%)	398,065 (20%)	2,013,101
Assemblymen, 1937	1,016,832 (52%)	921,256 (48%)	1,938,088
Aldermen, 1935	1,146,938 (67%)	565,133 (33%)	1,712,071
" 1933	1,044,882 (55%)	849,928 (45%)	1,894,810
" 1931	854,590 (65%)	454,704 (35%)	1,309,294
" 1929	847,951 (63%)	505,769 (37%)	1,353,720
" 1927	690,549 (63%)	401,987 (37%)	1,092,536
" 1925	702,052 (63%)	414,976 (37%)	1,117,028
" 1923	578,029 (59%)	399,108 (41%)	977,137
" 1921	644,774 (57%)	492,368 (43%)	1,137,142
" 1919	490,550 (52%)	455,074 (48%)	945,624
" 1917	329,419 (53%)	293,408 (47%)	622,827 <sup>6</sup>

<sup>5</sup>These ballots numbered 2,297,216 as compared with a total vote for mayor of 2,237,824.

<sup>6</sup>The last and largest vote before women's suffrage.

The additional effective votes under P. R. represent more than mere numbers of additional satisfied voters. They represent large minorities with distinct views that would have no share in the council if they had to carry a district in order to get representation.

#### *Still Room for Improvement*

Although P. R. has already brought this tremendous improvement in representation, a closer examination of the figures shows that the people have not yet taken full advantage of its opportunities. If there had been more team work among the various Fusion elements they would have had a clear majority of the council without the help of the insurgent Democrats and the casting vote of the president, for it seems pretty clear from the first-choice votes that a small majority of this Democratic city would have liked this time to give the nonpartisan mayor a friendly council.

The voters' failure to make this desire fully effective was due in part to the number of candidates. There were ninety-nine candidates in Brooklyn, forty-seven in Manhattan, forty-five in Queens, thirty-two in the Bronx, and seven in Richmond. Most of these were opponents of the hitherto dominant Democratic organization, which concentrated on nine candidates in Brooklyn, seven in Manhattan, four in the Bronx, four in Queens, and one in Richmond. The Democrats had the further advantage of having a single word, Democrat, on the ballot after all their names; while the candidates representing the various Fusion elements that campaigned with the mayor had a variety of labels—Republican, American Labor, Citizens Non-Partisan, City Fusion, Progressive, Socialist, and Communist.<sup>7</sup>

The Citizens Non-Partisan Committee, headed by Judge Seabury, put forward a selected list of well qualified candidates in each borough drawn from all the Fusion groups except the Communists, and attempted with considerable success to focus public attention on them, but the committee's action was taken too late to

get circulated for all of them the new petitions which would have been necessary to give them all the distinctive Citizens Non-Partisan designation on the ballot. Ten of the eleven Fusion councilmen elected were members of this ticket, but without a common label and with too many candidates in Manhattan and Brooklyn for easy memorizing many of the ballots which should logically have transferred from the defeated candidates on the ticket to others were marked with too few choices and became exhausted.

In this way a clear lead for Fusion on the first choices was dissipated. Between the first count in each borough and the count when the last unsuccessful Fusion man was defeated 94,111 more Fusion ballots were exhausted than were similarly lost to the Democrats. These would have been ample to wipe out the margins against Dr. William Jay Schieffelin, president of the Citizens Union, in Manhattan,<sup>8</sup> Dr. Frank S. Hackett, founder and head master of the Riverdale Country School, in the Bronx, and John Gelo, a prominent needle trade labor leader, in Brooklyn, and to elect them instead of three of the Democratic aldermen. Also 3,000 more valid ballots would have given Manhattan a seventh councilman and thus elected Dr. Schieffelin anyway.

#### *Independent Voting*

There was a large amount of independent voting, as shown by the transfers from candidates of one party to those of another. The Democratic organization candidates lost less strength in this way than did their opponents and owe a good part of their measure of success to the independent votes they received on transfer. They had a total of 619,232 first-choice votes and this had grown to 787,614 by

<sup>8</sup>When former Immigration Commissioner Edward Corsi, a Seabury ticket candidate, was defeated in Manhattan, 14,252 of his 33,022 ballots became exhausted. A little earlier Dr. John H. Johnson, another member of the Seabury ticket and last of the four Negro candidates from Manhattan to be defeated, went out with 29,943 ballots to his credit and 11,316 of them became exhausted. The Johnson ballots especially were expected to go in large numbers to Dr. Schieffelin, who is chairman of the board of Tuskegee Institute and widely known as a friend of the Negro race, but he received only 3,090 of them. Eleven thousand more votes, which might have been expected to go to him from this transfer alone, would have elected him ahead of Alderman Carroll.

<sup>7</sup>The various statements about "Fusion" council candidates in this article refer to all candidates who ran with any of these designations on the ballot and also two Brooklyn candidates (Cox and Miller) who were actively supported by the Citizens Non-Partisan Committee and the Progressive Party respectively. The Communists are included because they supported the mayor and urged second choices for the American Labor Party candidates for council.



the time the relative size of the Democratic and Fusion groups in the council was determined. The Fusion total dropped from 905,144 to 787,929 during the same transfers.

The totals in the deciding counts (the ones on which the identity of all the councilmen was known but before the ballots of the runners-up were transferred to complete the record) were as follows:

#### REPRESENTATION IN THE COUNCIL

PARTY	VOTES	MEMBERS
		ELECTED
Democratic	787,614	13
American Labor*	359,753	5
City Fusion*	179,866	3
Republican*	144,494	3
Insurgent Democrats	120,509	2
Other Fusion Designations*	45,820	0
Communist*	41,564	0
Unattached	16,432	0
	1,696,052	26

Because of exhausted ballots and borough remainders the results are not exactly proportional, but they obviously approach proportionality much more closely than could ever be hoped for under any plurality plan, either by districts or at large.

#### *Improved Personnel*

The quality of the city's legislative personnel has been vastly improved. Eleven of the twenty-six councilmen (including the two insurgent Democrats from Queens) were Democratic members of the last board of aldermen, but they are drawn, generally speaking, from the more active and capable members of the board. Practically all of the new members appear to be of a much higher type than the average alderman. They include Mrs. William P. Earle (elected with only a City Fusion designation), only woman member of the recent city charter commission; B. Charney Vladeck, manager of the *Jewish Daily Forward* (leader of the Labor group in the council); former State Senator Joseph Clark Baldwin (Republican), who once comprised the entire minority in the board of aldermen; and former Assemblyman Albert D. Schanzer (Democrat).

The new council is one in which there appears

\*A total Fusion vote of 771,497, electing eleven councilmen. A large part of the 74,146 first-choice ballots which were cast for Communist candidates and of the 29,232 cast for Socialists were transferred to American Labor Party candidates before this stage was reached.

to be a real chance for constructive county government reorganization and other needed legislation that is long overdue.

#### GOVERNMENTAL RESEARCH ASSOCIATION NOTES

*Edited by Robert M. Paige*

**California Governmental Research Association.**—In October governmental research workers from more than forty research and public service agencies in California met in the offices of the Bureau of Public Administration of the University of California, and after an all-day meeting, formed the California Governmental Research Association.

Harry F. Scoville, director of the Los Angeles County Department of Budget and Research, is head of the new organization. Professor Samuel C. May, director of the Bureau of Public Administration at the University of California, is executive secretary of the California group. The six directors of the association are Richard Graves of the League of California Municipalities, Emery E. Olson of the school of government of the University of Southern California, Russell M. Story, president of Claremont Colleges, Frank M. Stewart of the Bureau of Governmental Research of the University of California at Los Angeles, Stuart R. Ward of the Commonwealth Club of San Francisco, and Fred B. Wood, the state legislative counsel at Sacramento.

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**Taxpayers Research Bureau of Utica, N. Y.**—The bureau has been greatly interested and actively engaged during the past year in considering recommendations for the revision of the city charter and the advisability of the purchase by the city of the water company, now owned by private interests.

Mayor Vincent R. Corrau appointed a commission of twelve to consider charter revision, of which commission the executive director of the Taxpayers Research Bureau was appointed a member and secretary. At the end of six months, this commission recommended to the common council several revisions to the city charter, all of which, with one exception, have been held over for a possible referendum by the people at the November 1938 election. The one exception was a recommendation adopted as a local law, effective

January 1, 1938, pertaining to a method of reducing the bonded indebtedness of the city. This local law provided that the city shall not in any one calendar year issue bonds in excess of 75 per cent of the amount of the principal of bonds actually paid or to be paid by the city in the same year, unless authority to issue bonds in excess of 75 per cent has first been obtained from the people of the city by the affirmative vote of the majority of the voters participating in a special or general election at which the proposition to issue the bonds shall have been submitted to them pursuant to law. By this method, if the full 75 per cent of new bonds were issued each and every year, in thirty years the bonded indebtedness will have been reduced from \$12,600,000 to \$3,000,000.

During the year, the mayor appointed a citizens committee of ten to consider the purchase by the city of the water company which, in addition to supplying the city of Utica, also supplies water to a number of villages and towns. The executive director of the bureau served as secretary to this committee which negotiated with owners of the water company and recommended to the mayor that the water company be purchased by the city.

Although this purchase was approved by the New York State Public Service Commission and by the New York State Water Power and Control Commission, the mayor's committee withdrew its recommendation to the mayor for purchase at this time because of a stipulation by the Water Power and Control Commission in their acceptance of the proposed ownership by the city of Utica. The stipulation stated that at any time, on request of any of the towns or villages served by the water system, the city of Utica should convey to any such town or village such part of the system within the town or village boundaries at a fair and reasonable price, and that the amount already paid (charge for water used) by the town or village to the city of Utica toward the retirement of the bonds issued should be used as credit toward the purchase.

JOHN W. NOWLAND, *Executive Director*

**Kentucky Tax Reduction Association.**—Research work during 1937 by the Kentucky Tax Reduction Association has consisted of two principal undertakings:

1. Compiling and publicizing data as to

the income, expenditures, and indebtedness of the state government of Kentucky. This work has been greatly simplified, at least as to income, by the systematic records and reports prepared by the reorganized department of revenue. The commissioner, James W. Martin, has written a new chapter in tax administration in Kentucky.

2. Work in coöperation with the research staff of the legislative council, whose members have been engaged in a thorough study of county governmental reorganization since May of this year. It is gratifying to us that all the major objectives of the Kentucky Tax Reduction Association, as put forward in 1934, have been included in this undertaking of the legislative council.

GEORGE T. HOLMES, *Executive Secretary*

**Civic Affairs Council of Southern California.**—Rapid development is taking place in the science and art of public administration. Administrators and researchers characterized by clarity of thought and realistic imagination are carrying forward programs of practical application as well as experimentation. We now face the question as to whether or not the scientist will be permitted to use his knowledge and skill in the management of public affairs. In a democracy the answer is yes only if, on the part of the public, there is a sympathetic understanding of the spirit of research and the place of new techniques in the new civilization necessary to attain the objectives implied in the constitutional phrase, "promote the general welfare."

Paralleling the academic and professional program of the school of government at the University of Southern California is the Civic Affairs Council, with its primary purpose as stated in 1933, "to stimulate the study of government on the part of all citizens." It is a voluntary association of organizations of varied character—commercial, women's, educational, religious, service, government employee, patriotic, and civic groups—which informally through their appropriate representatives, i.e., civic, legislative, citizenship, or public affairs committees, use the Civic Affairs Council as a clearing house for information and techniques which may aid in the accomplishment of the principal purpose.

The Civic Affairs Council publishes each

month, excepting July and August, an eight-page summary of materials helpful in an understanding of local government in the Pacific southwest area, together with news notes concerning the progress of various activities helpful in improving public administration. Bibliographical notes are also made available to the chairman of the civics committees of the various community organizations.

High school and junior college faculties find that the materials are useful in connection with the teaching of various courses in social science. More than two thousand copies are used regularly in the classrooms of Southern California. Departmental administrative heads furnish realistic material for publication. Thus the citizen, the school, the local government, and the professional training institution find a common denominator for their interests.

With the year 1938 marking the tenth anniversary of the establishment of the school of government at the University of Southern California, it is still evident that the creation of professional standards, the training of public officials, the publication of the results of research, and the induction into public service of well trained men and women is not sufficient to secure the maximum gain because there is still a need for better understanding of the whole problem in so far as citizens are concerned. The Civic Affairs Council is facing this challenge to the extent of its resources.

EMERY E. OLSON, *Chairman*

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#### **The Commonwealth Club of California.—**

The club has just published a report on the topic "Why Air Wrecks?" This report is the result of a study instituted last February immediately following last winter's series of air disasters. This report, which embraces seventy-eight printed pages, is believed to be the first study of air disasters by a citizens' organization. It includes a number of recommendations by the club's aviation section for increasing the safety of air travel and a summary of the "facts, conditions, and circumstances" surrounding each air wreck from August 1934 to March 1937, in addition to the official findings reported by the government as the "probable causes."

A report of the city and county government section, now in process of publication, proposes that cities and counties of California establish permanent labor dispute boards, to

be named from three panels selected respectively by labor, employers, and the public (as under the Toledo plan), this board and its executive secretary to be at work constantly on efforts to avert possible strikes.

A study section on Latin American problems is in the process of formation.

Studies of the various sections already well under way include a state fish and game plan; a plan for land use in California; a survey of the coöperative movement, both in the United States and abroad, with probable recommendations; the interstate migrant situation which has arisen in California because of the hegira from the "dust bowl"; an attempt to designate those possessions and issues over which the United States would take recourse to arms, including consideration of the Monroe Doctrine, the status of the Aleutian Islands, Hawaii, and the Philippines.

The highway and the city planning sections during the year made two reports on highway and transit problems arising from the construction of the San Francisco Bay bridges.

Notable among the more than four hundred speakers who have addressed Commonwealth Club groups during the year were Sir George Paish, Minister Charles Davila, Sherwood Eddy, Donald Richberg, Editor Paul Kellogg, Ambassador Georges Bonnet, Ambassador Fulvio Suvich, General Yang Hu-Cheng, Governor "Alfalfa Bill" Murray, President James Bryant Conant, Warden James A. Johnston, Dr. T. Z. Koo, Dr. Hu Shih, and Governor Gifford Pinchot.

The jury for the Commonwealth Club's annual gold medal literature award contest for 1937 is reading a number of books entered by California authors and their publishers. The list, bidding fair to exceed the length of that entered in any of the six previous contests, is most diverse in character.

Club membership is on the increase. A \$10,000 bequest was received during the year from the estate of P. C. Hale, long treasurer of the club.

STUART WARD, *Executive Secretary*

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**Philadelphia Bureau of Municipal Research.**—At the regular session of the state legislature of Pennsylvania the proposed constitutional amendment for city-county consolidation, which was drafted by the bureau, was given its second legislative approval. In



November it was submitted, along with four other proposed amendments, to a vote of the people of the state. While it received a handsome majority in Philadelphia, the up-state vote was so strongly against it that the amendment was defeated.

Assuming that the city-county consolidation amendment would be approved by the voters, the legislature in its regular session of 1937 created a Philadelphia Charter Commission to prepare a charter for the consolidated city-county government. This commission organized and went to work in the early summer. While the defeat of the amendment has narrowed the possibilities of charter revision for Philadelphia, the charter commission is continuing with its work and expects to report its recommendations to the legislature at its next session, which may be a special session in 1938. The bureau has worked in close coöperation with the charter commission from the beginning. Among other things, at the request of the commission, the members of the bureau's staff have prepared reports on "Executives and Legislative Bodies of American Cities," "Philadelphia's Budget Procedure," "Personnel Administration in Philadelphia," and "A Topical Index of Statutes and Ordinances Affecting Philadelphia's Government."

In 1925 the bureau published an "Index of Philadelphia Ordinances," and in 1927 a supplement to that index. These two publications were found most useful by practicing attorneys as well as by city officials. About a year ago the Philadelphia Bar Association requested the bureau to bring its index down to date and offered to meet the cost of the work and of publishing a revised index. The bureau undertook this task and has now completed it. A revised edition of the index of ordinances is in the course of printing and will shortly appear under the imprint of the Philadelphia Bar Association.

Early in 1937 the bureau brought down to December 31, 1936, its record of payments made on the delinquent city-county taxes of 1932 on properties in the central business district of the city. A report containing an analysis by assessment groups of the 1932 delinquent city-county taxes for the entire city, as well as an analysis of the payments made on the delinquent taxes in the central business district from January 1, 1933, to

December 31, 1936, has been completed and is now being mimeographed for publication.

As the city gave notice in the summer of 1936 that it proposed on December 31, 1937, to terminate the agreement with the Philadelphia Gas Works Company for the operation of the city-owned gas works, the bureau undertook a study of the gas problem confronting the city, with a view to making constructive suggestions for a plan for the operation of the gas works after the termination of the present agreement. Results of this study have been published from time to time in the bureau's weekly periodical, *Citizens' Business*. Because of conflicting viewpoints in the city administration, no decision has yet been reached on a new plan of operation.

During 1937 the bureau coöperated with other organizations in the field of personnel administration. For the Pennsylvania Federation of the Merit System, it prepared a report entitled "A Merit System for Pennsylvania." This was published by the federation and used in an effort to secure the enactment of a state-wide civil service law. The director of the bureau also prepared for a special advisory committee on the merit system of the Pennsylvania Committee on Public Assistance and Relief a report on "A Merit System for the Public Assistance Services of Pennsylvania."

Among other activities of the bureau during 1917 have been coöperation with the mayor's financial advisory commission, which was appointed to recommend a plan for the guidance of the city administration in meeting the rather crucial financial problems now confronting it; assistance to the attorneys of the Committee of Seventy and a number of institutions and individuals interested in Philadelphia city bonds in litigation to test the constitutionality of an act of the 1937 legislature authorizing a consolidation of the sinking funds of the city of Philadelphia; current analysis, for the Philadelphia Committee on Public Affairs, of bills affecting Philadelphia that were introduced in the 1937 session of the legislature; preparation of a memorandum on a bill abolishing the municipal court of Philadelphia and setting up in its stead a family court; and examination of proposals for the reorganization of the transit system of Philadelphia.

**Research Department of the Portland Chamber of Commerce.**—In the Portland Chamber of Commerce the search for facts and the analysis of these facts to show their significance in relation to problems dealt with are accomplished by the research council and the research department. The research council numbering nearly one hundred is composed largely of architects, attorneys, business men, economists, engineers, financiers, industrialists, tax authorities, and other technicians. The council operates through committees. Some of these committees undertake the compilation of data. But their outstanding service lies in the analysis of data and the preparation of reports.

The research department collaborates with the research council in the collection and analysis of data and in the preparation of reports. It supplies a wide range of service to other departments of the Chamber of Commerce and to those who may apply to it for information.

During the past year committees of the research council, assisted by the research department, have taken up the following governmental research projects:

1. *Effect upon the tax base of Oregon Counties of the removal of lands from the tax roll through acquisition by state or federal government.* A subject of vital interest in Oregon and some other western states.

2. *State compacts.* The study of this subject is being emphasized this year by the Chamber of Commerce of the United States.

3. *Police pensions.* Assigned to the governmental research committee of the research council in the hope that a sound police system may be offered in contrast to the unsound system now in effect, and an equally unsound system presented to the voters under the initiative in November 1936.

4. *Teachers salary amendment.* An initiative amendment looking to restoration to teachers of the reductions in salaries due to the depression was defeated in part at least because so drawn as to defeat its purpose. Referred to governmental research committee for analysis of the problems and recommendations.

5. *Oregon initiative system.* Many abuses have grown up in the use of this system in Oregon. Governmental research committee

will seek to minimize the abuses and thus strengthen the system.

6. *Master city plan study.* This study involves research as a basis for constructive action in relation to traffic, transit and terminal unification; rehabilitation of blighted areas; public works; industrial sites; taxation; and other problems, as well as coöperation with the city planning commission and the formation of citizens' forums.

The research department completed its contribution to an exhaustive report on the various factors affecting pulp and paper manufacture in the Pacific Northwest. Responsibility for this report was assumed by the United States Engineers, Bonneville Section, United States Forest Service and the Research Department.

The report has been published in three volumes.

An *Industrial Survey of Oregon* is approaching completion. The origin, development and present location of Oregon's basic industries as well as their foundation in raw material resources, soils, and climate have been traced by the research department. Oregon State Planning Board has supplied charts showing industry location. And the bureau of business research of the University of Oregon has contributed valuable material.

An *Economic and Distributive Survey* of the western United States trade area by the research department has been a major research project during the past year. Progress has been slow because of the tremendous number of current demands upon the department. The survey will report on raw material resources, crops, the manufacturing industries, market indices, wholesale and retail distribution: an exhaustive survey which when completed will make possible an appraisal of the comparative advantages of Pacific coast ports. In addition to these more pretentious projects, the research department has prepared quarterly surveys of business conditions, monthly indexes of business conditions, and a large number of economic, distributive and other surveys.

With the approach of a political campaign it is anticipated that the research council and the research department will be called upon to pass upon numerous legislative proposals.

FRANK M. BYAM, *Director*



# Recent

## Books Reviewed

EDITED BY ELSIE S. PARKER

**Principles of Social Administration.** By T. S. Simey. London, Oxford University Press, 1937. viii, 180 pp. 10s.

In the United States, where nation-wide social legislation is a recent development, this brief but penetrating study of a hundred years' experience in "social administration" in England should be of special interest. The author's purpose is "to discover, as far as possible, what principles apply to social administration in a democratic state." This is a problem of far-reaching implications, as important for American readers as for the English public to whom the book is addressed.

The major problem with which Mr. Simey is concerned is that of national and local co-operation in public welfare. But in limiting himself to this specific problem of administrative organization, he does not ignore other, and at least equally important, issues. He recognizes, for example, that no administrative machine, however well organized, can run itself without regard to personal factors. Any plan of social administration must give due consideration to the human problems of those it is designed to serve—and also to the personal element in the administration itself. The need for a competent staff all along the administrative line, for workable relationships among the various officials concerned, and for incentive and opportunity for growth on the job is repeatedly stressed.

Another and still more fundamental problem upon which Mr. Simey comments briefly is that of the place of public social service in a democracy. Summing up his own point of view, he says that democratic theory demands two things of the social services: "first, that their management shall be carried out in close association with the daily lives of ordinary people, who shall, as far as possible, be allowed to control them; and, second, that the right of self-determination, which is regarded as fundamental by the democrat, shall be preserved as far as possible."

There are certain marked distinctions be-

tween the English system and that beginning to take form in the United States. In spite of pioneer efforts like the Sheppard-Towner act and that for vocational rehabilitation, federal-state coöperation on a comprehensive and permanent basis began here only with the passage of the social security act in 1935. Then, too, the field of social administration is at present much broader in England than in the United States. Nevertheless our federal social security act—with its ten provisions covering public health, child welfare, vocational rehabilitation, public assistance, unemployment compensation and old-age insurance—has established the principle of government coöperation, and outlined a broad and, some observers believe, expanding area for its operation.

Allowing for these differences, the basic problem of social administration remains the same for the English and the American democracy—how to effect a practical compromise between the national responsibility necessary to assure equitable treatment of individuals in various communities and the local responsibility necessary to keep the program close to the people.

Commenting upon the fact that the growth of national participation is the outstanding development in recent social administration, the author points out that this development has paralleled certain broad social trends—the increasing emphasis on economic stabilization rather than on social and moral improvement as the purpose of social measures, and the change of emphasis in democratic philosophy from individual action to collective action. He also recognizes the economic pressures which have played a part in bringing national governments into the social welfare picture. The immediate cause of increasing national social legislation is ascribed, however, to the inability of local governments to cope with the complex problems of modern industrial society, and specifically to the failure, mainly for financial reasons, of particular local authorities



to provide adequate services. The author recognizes that these circumstances have made national responsibility for social administration both inevitable and imperative; and he believes that the central departments have demonstrated their capacity to provide a high degree of uniformity, technical efficiency, and economy in the administration of any service. But these advantages may, he thinks, be bought at too high a price, for he sees in the central department a tendency to value mechanization and rules and regulations above initiative and flexibility.

Like the central government, the local authority has the defects of its qualities; Mr. Simey sums these up as unevenness of service, a too ready willingness to compromise under local pressure, and limitations both of area and of financial capacity. Viewing the total problem, he concludes that "unified direction should go hand in hand with decentralized administration—decentralized to maintain contact with the persons or bodies for whose benefit a service is provided, centralized to obtain consistent policy." This distribution of authority may be attained in either of two ways, through decentralization or devolution. By decentralization the author means administration through a national agency which maintains local field offices, each with a considerable degree of autonomy. By devolution he means the delegation of authority, within the national framework, to agencies of the local governments. Both methods, he believes, are useful, the character of the program determining which is more effective. It is worth noting that our federal social security act embodies both these methods of administration—old-age insurance being federally administered through regional and field offices and all the other provisions of the act being state-administered under state plans conforming to the general standards of the federal law.

Out of this consideration of local and national problems, the author reaches the conclusion that effective local administration can only be achieved under "the general supervision of officers of the central government, equipped both in legal powers and in organization to establish the 'general line' of governmental policy through the country, to guide the local authority at all stages, to check the impetuous, to stimulate the sluggish, and to

act as a source of inspiration. This should not involve interference in details or in day-to-day administration."

The effect of national participation in social administration has, Mr. Simey believes, an important bearing upon the entire problem of local government. But, contrary to the fears of some, he views it as a strengthening rather than a weakening influence upon the local units. Social welfare is becoming a major function of government. The author argues that successful local administration in accordance with national standards in this expanding field will help to raise the general level of all local government activities. The development of sound methods of coöperation in social administration is, therefore, of paramount importance; for "the principal missing link in the chain of democratic self-government is, somewhat paradoxically, the tie between the representative local authority and the central department."

The importance of administration—as distinguished from such other aspects of democratic government as the right to vote and legislation by elected representatives—is only just beginning to be generally recognized in the United States. The city manager movement is one of the most significant of our pioneer efforts to deal effectively and non-politically with complex administrative problems. The development of state and local public welfare activities, stimulated by the social security act, is bringing with it further needs and further opportunities for strengthening the administrative functions of these levels of our government. According to Mr. Simey, the importance of these functions cannot be overestimated in a democracy.

ZILPHA C. FRANKLIN

Social Security Board

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**State Tax Yield Statistics, 1937.** New York City, Tax Policy League (*Tax Policy*, Vol. V, No. 1, November-December 1937). 52 pp. \$1.00.

This study brings together for the first time detailed and up-to-date statistics on state tax yields, segregated under twenty-one classifications. Its importance to the student of taxation problems, the administrator, and those having occasion to work with taxation data cannot be over-emphasized. As is suggested in the preliminary comments by the editor,



Dr. Mabel L. Walker, secretary of the Tax Policy League, the publication of the information contained in this fifty-two page study does answer a long felt need.

The study embraces some sixty tables, a minimum of footnotes, and a concise textual summary and explanation of the procedure used in compiling the information. Data were secured on forty-seven of the forty-eight states, Idaho alone being unable to supply current information. More remarkable, and especially recommending the compilation to those who require reasonably up-to-date statistics, is the fact that for only four of the states are data older than that of the last completed fiscal year, and in only one are incomplete current data reported.

Taxes are grouped according to twenty-one classifications. These are admissions, alcoholic beverages, chain store, franchise, gasoline, gross receipts (including gross income and sales), income (net), inheritance (including estate and gift), license, motor vehicle, oleomargarine, poll, property, severance, soft drinks, special taxes on banks, special taxes on insurance companies, special taxes on utilities, stock transfer, tobacco, and miscellaneous. Data are presented for each classification by states, and detailed by states, affording a highly usable cross-reference. Summary tables are also included.

The study discloses that the combined tax yield in the forty-seven states amounted to \$2,752,955,850, with New York State leading with a tax of \$420,797,851. Pennsylvania and California, second and third respectively, each showed approximately half the yield of the empire state. The gasoline tax was the most productive, with a total yield in the forty-seven states of \$704,920,691, followed by general sales (gross receipts, etc.) at \$414,593,637, and income, motor vehicle, and property taxes in the order named. These five taxes, in fact, provided roughly 73 per cent of the total, although their importance naturally varies from state to state.

Not the least interesting and useful feature of the study is the fact that in the forty-seven tables detailing tax yields, two columns are added to show the amount of such taxes which are locally shared and the amount retained by the state. In the latter classification are included subventions to localities, but the editor expresses the hope that in another year grants, as distinct from shared taxes, may be

shown separately. Also potentially useful to many readers is a list of the officials supplying tax yield information.

There are few to whom comparative figures on state tax receipts are useful or interesting who will not find some feature of this study of value. Dr. Walker has been careful to point out the tentative nature of some of her classifications, and to indicate where data are known or suspected to be incomplete. While previous publications of the Census Bureau have contained data on the subject, the treatment does not overlap with that of this study, and the Tax Policy League's publication appears with considerable more promptness. And such other studies as have been made have been forced to rely in great measure on estimates to supplement the census figures. It is much to be hoped that the compilation may become an annual feature—although in a somewhat more substantial mounting than the present mimeographed volume.

WADE S. SMITH

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**New York City Charter.** By Laurence Arnold Tanzer. New York, Clark Boardman Company, Ltd., 1937. 684 pp. \$7.50.

On January 1, 1938, the charter of the City of New York adopted in November, 1936, became effective. This charter replaces the one adopted in 1897 when the greater city was established, revised in 1901, and amended times without number since that date. The annotated edition ran over 2300 pages, and it was frankly admitted that even these pages did not contain all of the law relating to the City of New York. In view of the fact that it was necessary, in order to be sure what was the law on any subject, to start with the Dutch grants and trace all the legislation passed under them, under the provincial governments, general and special state laws, the acts of county boards of supervisors, and of the various municipal governments consolidated into New York City, and the acts of local legislation since 1897, it is obvious that any lawyer had to explore a veritable legal jungle, and there was always the question whether he had not overlooked something.

The charter revision commission deemed it highly desirable to do two things: first, draw up a new charter setting forth merely the framework of the city government, and second, have prepared an administrative code

containing all the other live law relating to the city. The administrative code has been prepared by a board of statutory consolidation and was recently enacted by the state legislature at a special session. The transition from the old charter to the new will inevitably be accompanied by some confusion and necessitate a new series of interpretations of charter provisions. The purpose of Mr. Tanzer's book is to facilitate understanding of the new charter. He has attempted to do this by making a summary and analysis of that document. The method employed is to take each function of the city government and bring together in simple, non-technical language the provisions of the charter which concern that function, interpolating relevant statements from the report of the charter revision commission which help to explain the intent of the various sections and relating them to provisions of the old charter and other laws.

The book should be of very great assistance, not only to city officials who will have to work under the new charter, but also to lawyers and others who have frequent contacts with the city government.

The book contains a brief history of the New York City charter, a review of the litigation which preceded and followed its adoption, a summary and analysis of its forty-three chapters, the text of the document

itself with numerous cross references showing the sources of its provisions and where they are discussed in the summary, together with the full text of the report of the charter revision commission, the act under which the commission operated, the codification act, the court decisions on the various attempts to prevent a referendum vote on the charter, and the decisions upholding the constitutionality of proportional representation. There is also a table of sections of the old charter with references to the corresponding sections of the new, and a voluminous index.

Even in its simplified form the new city charter covers 231 pages, while the administrative code, as submitted to the legislature, covers 2960 pages, exclusive of a schedule of laws repealed covering 390 pages. Naturally comprehension of the meaning and workings of the vast machinery of government set forth in these two documents would be no easy task even for persons with long experience in the field. Mr. Tanzer's book should be of great assistance to anyone who must familiarize himself with the working of the new charter, either as a whole or in part. The author is to be congratulated for adding another item to his already long list of valuable contributions to civic progress in New York.

GEORGE H. McCAFFREY

Merchants' Association of New York